

**MINUTES**  
**BOARD OF DIRECTORS**  
**SUNNYSLOPE COUNTY WATER DISTRICT**  
**Regular Meeting**  
**April 14, 2011**

**A. CALL TO ORDER:** The meeting was called to order at 4:30 p.m. by Vice President Keck, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

**B. ROLL CALL: Present:** Doug Keck, Dawn Anderson, Dave Clapham, and Danny Villalon. **Arrived Late:** Dave Meraz. **Others present:** Secretary/General Manager Bryan Yamaoka and Attorney Lloyd Lowrey.

**Others present for Open Session:** District Engineer Ken Girouard, Finance & Human Resource Manager Cathy Buck, Water Superintendent Jim Filice, Executive Assistant Carol Porteur, and meeting stenographer Laura Wiener-Smolka.

**C. EXECUTIVE SESSION:** Vice President Keck moved the meeting to closed session.

**1. Conference with Real Property Negotiators. Property:** Purchase of lands adjacent to proposed Groundwater Treatment Plant & Evaporation Ponds

Property Identification: APN 020-280-022

SSCWD Negotiators: Yamaoka, Girouard

Property Owners: Campisi

Under negotiation: Price and terms of payment.

**2. Conference with Real Property Negotiators. Property:** Water and Sewer Easements to serve proposed shopping center

Property Identification: APN 020-0330-042

SSCWD Negotiators: Yamaoka, Girouard

Property Owners: Kehriotis

Under negotiation: Price and terms of payment.

**D. RECONVENE TO OPEN SESSION and REPORT ANY ACTIONS TAKEN IN EXECUTIVE SESSION:** The regular meeting was called to order at 5:15 p.m. by Vice President Keck. He reported that the Board gave direction on both property negotiations and no actions were taken during executive session.

**E. PUBLIC COMMENTS and AUDIENCE INTRODUCTIONS:** There were no public comments for non-agendized items and there were no introductions.

The following persons made public comments on Agenda item G-1: Chuck Schallhorn, Tarasa Bettencourt, and Stephen Rosati.

**F. READING OF MINUTES:** Upon motion made by Director Anderson, seconded by Director Keck, and unanimously carried (4-0 Meraz absent), the March 10, 2011 regular meeting minutes and the March 23, 2011 special meeting minutes were approved.

**G. OLD BUSINESS:**

**1. RECEIVE, DISCUSS, and TAKE APPROPRIATE ACTION IN RESPONSE TO LETTER REQUESTING WATER AND SEWER SERVICE FOR A COMMERCIAL SHOPPING CENTER PROPOSED BY RIDGEMARK GOLF AND COUNTY CLUB:** Engineer Girouard reviewed the letter from Ridgemark Golf

and Country Club requesting water and sewer service for a proposed commercial shopping center, the question of whether or not there is a legal easement for the service, and how potential future develop would or would not connect. He noted that members of the Ridgemark Homes Association and Villa Pacheco Homeowners Association are present to comment. Engineer Girouard stated that he met with the Villa Pacheco Board President, Charles Schallhorn, and subsequent to that meeting he prepared a map and various connection alternatives that has not yet been presented to the Villa Pacheco homeowners. He noted that the Homeowners Association meets next Tuesday, at which time staff could attend and receive feedback.

Engineer Girouard reviewed connection alternatives A through E and noted that a six-inch line may not be adequate for future development. He commented that any future development would be required to pay reimbursement funding for adequate sizing of the lines. Secretary Yamaoka noted that regardless of which alternative is chosen, a ten-foot easement would be required. It was pointed out that none of the alternatives require an outlay of money from residents of Villa Pacheco.

Chuck Schallhorn introduced himself as the President of Villa Pacheco Homeowners Association and stated that he has not yet had an opportunity to talk with the homeowners to determine their preferences. He requested that the Board delay making a decision until he can receive feedback from the homeowners. Mr. Schallhorn stated that his personal preference is that excavation for service lines be done now and not later when there is future development; that he is personally in favor of alternative C. Mr. Schallhorn requested that no amount of funds be required from the homeowners to facilitate the proposed project.

Engineer Girouard stated that Ridgemark Golf and Country Club would be responsible for the cost of excavation and mitigating disturbance of homeowners' backyards. Mr. Schallhorn explained that the developer claims the homeowners will benefit from the shopping center and therefore should contribute \$30,000.

Ms. Teresa Bettencourt stated that the current easements are for the purpose of running the golf course. Stephen Rosati pointed out that the project has not been approved by the Planning Department. He also stated that the orientation of the shopping center should be reversed, otherwise it will lower values of adjacent properties. Ms. Bettencourt noted that a traffic study has not yet been done and that the developer's deed does not contain language consistent with the previous deed.

Vice President Keck stated that there does not appear to be any adverse consequences for delaying a Board decision and that he would like to provide adequate time for the Board to receive all necessary information and informed feedback from the homeowners, thereby allowing the Board to make the best decision within its authority. He noted that after all legal requirements have been met, the District is obligated to provide water and sewer.

Upon motion made by Director Anderson, seconded by Director Clapham, and unanimously carried (4-0, Meraz absent), Board action on this item was tabled.

## **H. NEW BUSINESS**

### **1. RECEIVE, DISCUSS, and TAKE APPROPRIATE ACTION FOR**

**PROCLAMATION FOR WATER AWARENESS MONTH:** Secretary Yamaoka introduced Shawn Novack from the Water Resources Association who spoke about current water awareness issues: community health and welfare depends upon a reliable, high

quality water supply; periodic droughts make water conservation critical at all times; water softeners contribute significant amounts of salt which degrades the water supply and results in violation of regulatory limits pertaining to wastewater effluent; the importance of finding and repairing leaks and replacing inefficient use of water, the importance of adjusting and monitoring landscape irrigation systems; and working together to find ways to save and conserve water.

Mr. Novack reported that this year, 100 percent of CVP allocations for M & I water was received; however, it is still important to conserve water. During his report, Mr. Novack reported the WRA is offering free composting classes; he will be speaking to the Hollister Rotary Club; a presentation is scheduled for the trade show at the Veterans' Hall on May 12; other activities include promotion of a Green Business Program, and a low-flow toilet give away on May 14. Mr. Novack reported that he is working on an Urban Water Management Plan in response to a state mandate for a statewide 20% reduction in water use by the year 2020. In addition, he is developing a model landscape ordinance for new homes which includes drought tolerant landscaping, reduction in amount of turf, and efficient irrigation systems.

Mr. Novack read aloud the Proclamation of May as “Water Awareness Month” and requested Board adoption of the Proclamation urging all citizens, businesses, industries, institutions, and public agencies to review their water use and water systems for water use efficiency, to participate in local water conservation programs, and to contact their water supplier for water saving ideas and assistance.

Upon motion made by Director Anderson, seconded by Director Villalon, and unanimously carried (4-0, Meraz absent) the Board adopted the Proclamation of May as Water Awareness Month as presented.

- 2. RECEIVE and DISCUSS INFORMATIONAL PRESENTATION FROM SHAWN NOVACK ON WATER RESOURCES ASSOCIATION'S HISTORY, PURPOSE, AND RESPONSIBILITIES:** Mr. Novack stated that these topics were covered during his presentation under Agenda Item H.1.

**I. BOARD AND STAFF COMMITTEE STATUS REPORTS:** President Meraz arrived at this point in the meeting (5:56 p.m.).

- 1. Water/Wastewater Committee:** Director Keck reported that the committee met last week and is planning to visit the Regional Water Quality Control Board on April 21 to discuss salinity control measures and a potential new water softener ordinance.
- 2. Governance Committee:** The next Governance Committee meeting is scheduled for 6:00 p.m., on April 20, 2011, at the San Benito County Water District Board meeting room. They will receive an update on Lessalt and discuss how to deal with the disinfection by-products, since they may have to meet standards at certain spots in system, not just on average.
- 3. Finance Committee:** Director Clapham reported that the Finance Committee met last week and discussed preparation of a proposal for the next District audit. Cathy Buck commented that she requested a May presentation to the Board by auditor Rob Smiley.
- 4. Water Resources Association of San Benito County:** Director Keck reported that the next meeting will be held at 5:30 p.m. on May 5, 2011, at the San Benito County Water District Board meeting room.

5. **Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** Engineer Girouard reported that a Notice of Award was issued and he is compiling documents for the contractor. He also reported contacting the financial consultant about a line of credit for the project.
6. **Lessalt Water Treatment Plant:** Engineer Girouard reported on plans for meeting with the Governance Committee to discuss treatment processes and cost of the treatment plant upgrades; he is waiting for data from the Acti-Flo-Carbon pilot testing, which will give them data regarding the future Westside treatment plant .
7. **Water Related Projects:** No report.
8. **District Operation Summary, Statement of Income, and Investment Summary; Lessalt Water Treatment Agency Investment and Disbursement Summaries; District Maintenance, Meter Reading, and Well Groundwater Level Reports:** During review of the District Operations Summary, Director Keck noted that the number of customers participating in the auto pay program has gone down. Ms. Buck explained that this is the result of customer turnover with people on auto pay moving out of our District.

Ms. Buck reviewed the February 28 Statement of Income, noting that both water and sewer sales are slightly higher this year-to-date compared to last year-to-date, but are more than offset by higher operating expenses resulting in a combined income of \$209,097 this year-to-date compared to a combined income of \$350,817 last year-to-date.

During review of the Investment Summary Ms. Buck noted that the District's fund balance as of March 31 is \$1,786,472.10, which includes nine months of interest earned totaling \$8,843.02.

The Board reviewed financial reports for the Lessalt Water Treatment Agency, including the March 9 through April 12, 2011 Disbursement Summary totaling \$110,891.62. The Lessalt Water Treatment Agency Investment Summary ending March 31, 2011, reflects a fund total of \$1,732,027.33, which includes one month of interest earned totaling \$1,085.97.

During review of the March Maintenance Report, Jim Filice responded to questions from Board members about details regarding various items in the report. In response to Director Anderson's question about item #13 in the Water section of the report, Mr. Filice explained that the staff fabricated a new truck mountable fire hydrant flushing system. Director Villalon questioned item #10 in the wastewater section of the report, regarding a backup at the Ridgemark Estates WW Treatment Plant I, Mr. Filice explained that an underground pipe that comes into the plant was plugged; they used the hydro machine to clear the blockage.

Jim Filice reviewed the Meter Reading Report for the period February 16 to March 16, 2011, and noted intertie meter data indicates the City received 47.1% of Lessalt water, while the District received 52.9%. Director Keck inquired about water leaks. Mr. Filice explained that water accounting records actually show a one percent gain, which we are trying to analyze and find the cause.

During review of the groundwater level report, Mr. Filice noted that well levels are trending upward, which is typical this time of year. During his report Mr. Filice noted that Well #8 is the primary well for the Ridgemark system.

**J. ALLOWANCE OF CLAIMS:** The Board reviewed the District's Disbursement Summary for the period March 9 through April 12, 2011. Upon motion made by Director Anderson, seconded by Director Clapham, and unanimously carried 5-0, the Board approved the disbursements totaling \$1,113,464.65, which includes: \$460,073.54 for employee compensation and accounts payable; \$650,311.70 to the City of Hollister for sewer bills collected; and \$3,079.41 for customer refunds and returned checks. Last check written as of April 12, 2011 was #16123.

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
3/10/11	ACH 0132	RETURNED CHECK - Ck Ret 03-2	-286.51
3/31/11	ACH 0133	EFTPS	-21,236.16
3/17/11	ACH 0134	RETURNED ACH - ACH Ret 03-01 to 03-03	-282.58
3/17/11	ACH 0135	RETURNED CHECK - Ck Ret 03-3	-386.53
3/17/11	ACH 0136	RETURNED CHECK - Ck Ret 03-4	-126.49
3/25/11	ACH 0137	San Benito Bank	-489.76
3/22/11	ACH 0138	RETURNED CHECK - Ck Ret 03-5	-163.13
3/23/11	ACH 0139	RETURNED CHECK - Ck Ret 03-6	-130.00
3/24/11	ACH 0140	RETURNED CHECK - Ck Ret 03-7	-160.89
3/28/11	ACH 0141	RETURNED CHECK - Ck Ret 03-8	-116.93
3/31/11	ACH 0142	RETURNED CHECK - Ck Ret 03-9	-120.00
4/4/11	ACH 0143	Merchant Services	-585.36
3/31/11	DD 0225	Alvarez, Abel	-3,960.92
3/31/11	DD 0226	Brill, Kelly L.	-4,346.74
3/31/11	DD 0227	Buck, Cathy L.	-6,505.50
3/31/11	DD 0228	Castro, Kevin G.	-3,997.66
3/31/11	DD 0229	Chavez, Jr., Manuel T.	-5,857.73
3/31/11	DD 0230	Eclarin, Ernesto P.	-4,326.00
3/31/11	DD 0231	Estrada, Thomas A.	-4,088.10
3/31/11	DD 0232	Filice, James L.	-7,625.82
3/31/11	DD 0233	Girouard, Kenneth R.	-6,354.25
3/31/11	DD 0234	Hagins, Patrick M.	-4,318.94
3/31/11	DD 0235	Imperatrice, Patrick L.	-5,475.77
3/31/11	DD 0236	Jackson, Patrick W.	-6,508.12
3/31/11	DD 0237	Norman, III, Walter R.	-4,604.47
3/31/11	DD 0238	Padilla, David	-4,493.32
3/31/11	DD 0239	Porteur, Carol A.	-3,588.11
3/31/11	DD 0240	Robson, Ann	-2,304.84
3/31/11	DD 0241	Watson, Scott A.	-3,872.03
3/31/11	DD 0242	Yamaoka, Bryan M.	-9,024.24
3/31/11	DD 0243	Zavala, Anabel G.	-4,233.43
3/31/11	DD 0244	Jackson, Norma	-325.66
4/12/11	DD 0245	Clapham, David G.	-200.00
4/12/11	DD 0246	Keck, Doug (Dir. Dep.)	-300.00
4/12/11	DD 0247	Meraz, David (Dir. Dep.)	-200.00
4/12/11	DD 0248	Villalon, Daniel	-300.00
4/12/11	DD 0249	Wiener-Smolka, Laura S. (Dir. Dep.)	-200.00
3/10/11	16018	MARIA G. GARCIA GONZALEZ	-262.79
3/14/11	16019	Auto Tech Service Center, Inc.	-64.20
3/14/11	16020	Bianchi Kasavan & Pope, LLP	-459.00
3/14/11	16021	Harbor Freight Tools	-172.81
3/14/11	16022	P G & E	-13,357.76
3/14/11	16023	San Benito Bank - \$1M Loan Pmts	-42,548.63
3/14/11	16024	San Benito County Water District-Pumping	-21,476.93
3/14/11	16025	Toro Petroleum Corp.	-1,309.60
3/21/11	16026	Buck, Cathy L.	-134.92
3/21/11	16027	A-1 Services	-373.00
3/21/11	16028	All Star Ready Mix, LLC	-184.35
3/21/11	16029	Berger/Lewis Accountancy Corporation	-1,400.00
3/21/11	16030	CM Analytical, Inc.	-1,370.00
3/21/11	16031	First Trust Alarm Company	-290.00
3/21/11	16032	Hollister-Sunnyslope W. T. A.	-117,475.78
3/21/11	16033	Mc Kinnon Lumber Co., Inc.	-137.33

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Amount</b>
3/21/11	16034	Monterey Bay Systems	-796.99
3/21/11	16035	MWH Soft, Inc.	-800.00
3/21/11	16036	National Notary Association	-52.00
3/21/11	16037	O'Reilly Auto Parts	-4.70
3/21/11	16038	OnTrac	-15.50
3/21/11	16039	P G & E	-2,664.28
3/21/11	16040	San Benito County-Elections Dept.	-400.00
3/21/11	16041	South Valley Internet, Inc.	-17.95
3/22/11	16042	Postmaster	-283.47
3/28/11	16043	WILLIAM & NELDA BURDICK	-55.22
3/28/11	16044	LITTON LOAN SERVICING	-106.29
3/28/11	16045	LARRY & DANA LOPEZ	-26.50
3/28/11	16046	JEREMY LYON	-63.98
3/28/11	16047	JERRY MC CULLOUGH	-193.92
3/28/11	16048	REBECCA MORIOKA	-95.20
3/28/11	16049	JOSE ORNELAS	-51.63
3/28/11	16050	JOHN RAMSEY	-107.01
3/28/11	16051	TRACEY SCIMECA	-85.81
3/28/11	16052	A MAILLO & STEVEN SWINK	-65.26
3/28/11	16053	AT&T	-260.80
3/28/11	16054	Brigantino Irrigation	-218.92
3/28/11	16055	Everbank Commercial Finance, Inc.	-257.85
3/28/11	16056	Ferguson Enterprises, Inc.	-52.61
3/28/11	16057	Mid Valley Supply	-230.57
3/28/11	16058	Northern Tool & Equipment Co.	-18.11
3/28/11	16059	Postal Graphics (was Post Net)	-24.65
3/28/11	16060	Razzolink.com	-115.90
3/28/11	16061	Sierra Chemical Co.	-1,146.67
3/28/11	16062	Toro Petroleum Corp.	-1,641.21
3/28/11	16063	Verizon Wireless	-270.88
3/28/11	16064	Wright Bros. Indust. Supply	-53.76
3/28/11	16065	Postmaster	-1,726.62
3/29/11	16066	City of Hollister-Finance Dept	-321,366.88
3/31/11	16067	Employment Dev. Dept. (EDD) DE88 Pmts.	-9,104.67
3/31/11	16068	CalPERS - Retirement	-1,587.18
3/31/11	16069	Nationwide Retirements Solutions	-13,056.44
3/31/11	16070	BAC (Beneficial Administration Company)	-274.33
3/31/11	16071	CalPERS - Health Insurance	-13,120.75
3/31/11	16072	CalPERS - Retirement	-35,596.96
3/31/11	16073	Fort Dearborn Life Insurance Co.	-234.00
3/31/11	16074	Premier Access Insurance Co.	-2,837.89
3/31/11	16075	State Comp. Insurance Fund	-5,492.49
4/4/11	16076	Ace Hardware (Johnson Lumber Co.)	-169.15
4/4/11	16077	Auto Tech Service Center, Inc.	-342.59
4/4/11	16078	AutomationDirect.com	-367.05
4/4/11	16079	B.W.S. Distributors, Inc.	-572.42
4/4/11	16080	Calcon System, Inc.	-4,466.01
4/4/11	16081	CM Analytical, Inc.	-6,605.00
4/4/11	16082	E.H. Wachs Co.	-135.83
4/4/11	16083	Itron, Inc.	-796.46
4/4/11	16084	JM Squared Associates Inc	-352.97
4/4/11	16085	Mark Nicholson, Inc.	-4,066.06
4/4/11	16086	Mc Donald Landscaping	-165.00
4/4/11	16087	Mission Uniform Service	-580.38
4/4/11	16088	Petty Cash	-128.82
4/4/11	16089	Postmaster	-193.00
4/4/11	16090	Recology San Benito County	-114.27
4/4/11	16091	San Benito Tire, Inc.	-2,190.49
4/4/11	16092	Wright Bros. Indust. Supply	-214.39
4/4/11	16093	Ace Hardware (Johnson Lumber Co.)	-39.81
4/4/11	16094	EBCO Pest Control	-55.00
4/4/11	16095	Groeniger & Company	-1,919.62

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
4/4/11	16096	Postal Graphics (was Post Net)	-41.99
4/4/11	16097	Toro Petroleum Corp.	-398.05
4/11/11	16098	RON & ALLISON HILLYER (Payment Stopped)	0.00
4/11/11	16099	ROXANNE GARCIA (Payment Stopped)	0.00
4/11/11	16100	FIELD ASSET SERVICES INC.	-63.32
4/11/11	16101	FERNANDO FIGUEORA	-36.19
4/11/11	16102	ANDREW LUTZ & MIN ZHNAAG	-22.58
4/11/11	16103	NOE RENTERIA	-18.84
4/11/11	16104	ANGEL RIVERA	-5.31
4/11/11	16105	CLOVER SILVA	-11.50
4/11/11	16106	MIKE ZEARBAUGH	-35.00
4/11/11	16107	Anderson, Dawn V.	-200.00
4/11/11	16108	Auto Tech Service Center, Inc.	-1,100.30
4/11/11	16109	Calif. Dept. of Public Health	-644.80
4/11/11	16110	Calif. Dept. of Public Health - OCP	-145.00
4/11/11	16111	City of Hollister-Finance Dept	-328,944.82
4/11/11	16112	CM Analytical, Inc.	-390.00
4/11/11	16113	Mission Uniform Service	-153.19
4/11/11	16114	NH3 Service Company	-887.65
4/11/11	16115	Noland Hamerly Etienne & Hoss	-1,162.48
4/11/11	16116	P G & E	-8,598.47
4/11/11	16117	Palace Art & Office Supply	-107.75
4/11/11	16118	San Benito County Water District	-145.25
4/11/11	16119	Staples	-592.29
4/11/11	16120	Toro Petroleum Corp.	-2,026.92
4/11/11	16121	U.S. Bank Corporate Payment Systems	-708.86
4/11/11	16122	Underground Service Alert	-117.00
4/11/11	16123	Wright Bros. Welding & Sheet Metal, Inc.	-6,743.83
<b>Total Disbursements</b>			<b><u>-1,113,464.65</u></b>

**K. STAFF REPORTS**

1. **District Counsel:** No report.
2. **District Engineer:** No report.
3. **Finance-HR Manager:** No report.
4. **General Manager:** No report.

**L. FUTURE AGENDA ITEMS:** Future agenda items include a Board retreat and presentation of the 2009-2010 Financial Audit. Secretary Yamaoka commented that if the May meeting agenda is lengthy, he will schedule a special meeting for the audit presentation.

The next regular meeting of the Board is scheduled to be held Thursday, May 12, 2011.

**M. ADJOURN:** Upon motion made by President Meraz, seconded by Director Clapham, and unanimously carried, the meeting was adjourned at 6:20 p.m.

**APPROVED BY THE BOARD:** s/Dave Meraz  
 Dave Meraz, President

**RESPECTFULLY SUBMITTED:** s/Bryan M. Yamaoka  
 Bryan M. Yamaoka, Secretary