

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
April 19, 2016

- A. CALL TO ORDER:** The meeting was called to order at 5:15 p.m. by President Hill, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. ROLL CALL: Present:** President Kathleen Hill; Directors, Mike Alcorn, Judi Johnson, Dave Meraz, and Danny Villalon.
- C. PLEDGE OF ALLEGIANCE:** Isabella St. John, from Sunnyslope Elementary School led Directors, staff, and public in the Pledge of Allegiance.
- D. APPROVAL OF AGENDA:** Upon motion made by Director Meraz, seconded by Director Alcorn, and carried 5-0, the agenda was approved as presented.
- E. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS:** The Board welcomed members of the public and opened the meeting to public comments regarding matters not itemized on the agenda. There were no comments.

- 1. Special Recognition – Isabella St. John was recognized for her pursuit of Clean Drinking Water at Sunnyslope Elementary School.

Shawn Novack of the Water Resources Agency presented Isabella St. John with a Certificate of Achievement for her pursuit of Clean Drinking Water at Sunnyslope School. Isabella explained to the Board what prompted her to pursue good tasting drinking water at the school’s water fountains and the path she followed in her pursuit of this goal. The resulting filtering systems installed has led to good tasting water fountain water and has reduced or eliminated the need for her and her classmates to bring bottled water to school.

Staff present for Open Session: General Manager/Secretary Don Ridenhour, Attorney Heidi Quinn, Executive Assistant/Stenographer Carol Porteur, Finance and Human Resource Manager Cathy Buck, Water/Wastewater Superintendent Jim Filice, and Assistant Engineer Rob Hillebrecht.

F. CONSENT AGENDA:

- 1. Approval of Minutes – for the Regular Meeting of March 15, 2015.
- 2. Allowance of Claims – to ratify disbursements for the period from March 8, 2016 through April 11, 2016, totaling \$686,935.69, which includes \$345,047.97 for payments to vendors and employees, \$339,551.63 paid to the City of Hollister for amounts collected from their customer’s for City sewer billings net of our fees, and \$2,059.04 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of April 11, 2016 was check #21843.

The list of disbursements is as follows:

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
03/10/16	ACH 0815	Merchant Services	-0.58
03/15/16	ACH 0816	EFTPS	-235.90
03/16/16	ACH 0817	RET. ACH (ACH Ret. 03-01 thru 03-02)	-337.60
03/17/16	ACH 0818	RET. ACH (ACH Ret. 03-03 thru 03-06)	-562.14

Date	Number	Name	Amount
03/23/16	ACH 0819	RETURNED CHECK (Ck Ret. 03-01)	-218.64
03/31/16	ACH 0820	EFTPS	-21,305.82
04/04/16	ACH 0821	Merchant Services	-449.04
04/04/16	ACH 0822	Merchant Services	-845.28
04/08/16	ACH 0823	Merchant Services	-0.58
03/15/16	DD 1595	Alcorn, Michael H	-277.05
03/15/16	DD 1596	Johnson, Judi H	-266.05
03/15/16	DD 1597	Meraz, David E	-183.70
03/15/16	DD 1598	Villalon, Daniel	-159.70
03/31/16	DD 1599	Alvarez, Abel	-4,901.62
03/31/16	DD 1600	Brill, Kelly L.	-4,151.80
03/31/16	DD 1601	Buck, Cathy L.	-6,452.86
03/31/16	DD 1602	Castro, Kevin G.	-3,750.14
03/31/16	DD 1603	Chavez, Jr., Manuel T.	-6,340.88
03/31/16	DD 1604	Eclarin, Ernesto P.	-4,561.71
03/31/16	DD 1605	Filice, James L.	-6,595.66
03/31/16	DD 1606	Hagins, Patrick M.	-4,854.72
03/31/16	DD 1607	Hillebrecht, Robert B	-3,731.47
03/31/16	DD 1608	Jackson, Patrick W.	-5,211.73
03/31/16	DD 1609	Malko, Kim A.	-2,912.35
03/31/16	DD 1610	Marden, Robert E	-1,156.84
03/31/16	DD 1611	Norman, III, Walter R.	-4,934.22
03/31/16	DD 1612	Padilla, David	-5,497.04
03/31/16	DD 1613	Porteur, Carol A.	-4,042.76
03/31/16	DD 1614	Quick, Troy E	-3,767.86
03/31/16	DD 1615	Ridenhour, Donald G	-9,925.75
03/31/16	DD 1616	Sanchez, Ricardo A	-3,899.82
03/31/16	DD 1617	Watson, Scott A.	-4,779.45
03/31/16	DD 1618	Zavala, Anabel G.	-4,208.06
03/14/16	21743	KARSON R KLAUER	-312.87
03/14/16	21744	RUTH & JAMES CUNNINGHAM	-242.70
03/14/16	21745	Void	0.00
03/14/16	21746	Al's Septic Tank Service	-990.00
03/14/16	21747	Bianchi Kasavan & Pope, LLP	-434.00
03/14/16	21748	De Lay & Laredo	-2,000.00
03/14/16	21749	J L Wingert Co.	-7,305.51
03/14/16	21750	Konika Minolta Premier Finance	-359.87
03/14/16	21751	P G & E	-11,887.08
03/14/16	21752	Performance Agriculture	-430.00
03/14/16	21753	Recology San Benito County	-129.16
03/14/16	21754	San Benito County Water District	-153.75
03/14/16	21755	Toro Petroleum Corp.	-663.82
03/14/16	21756	Trans Union LLC	-91.45
03/15/16	21757	Hill, Kathleen A	-277.05
03/21/16	21758	Villalon, Daniel	-106.86
03/21/16	21759	Ben Caputo Printing	-589.63
03/21/16	21760	Calcon System, Inc.	-2,058.00
03/21/16	21761	Calgon Carbon Corporation	-41,278.00
03/21/16	21762	City of Hollister-Finance Dept	-339,551.63
03/21/16	21763	Edges Electrical Group	-94.29
03/21/16	21764	Hach Company	-920.23
03/21/16	21765	Interstate All Battery Center	-152.74
03/21/16	21766	Mc Kinnon Lumber Co., Inc.	-279.03
03/21/16	21767	Performance Agriculture	-902.75
03/21/16	21768	Postal Graphics (was Post Net)	-196.00
03/21/16	21769	Quinn Company	-640.51
03/21/16	21770	Radio Shack (Crystal T.V.)	-14.09
03/21/16	21771	San Benito County Water District-Pumping	-13,503.90
03/21/16	21772	Veolia	-1,062.35
03/22/16	21773	Postmaster	-227.44

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
03/23/16	21774	State Board of Equalization-Use Tax	-742.75
03/28/16	21775	JOSEPH & KACIE QUELLO	-42.27
03/28/16	21776	KEVIN LYNCH	-73.20
03/28/16	21777	DORIAN GONZALES	-140.05
03/28/16	21778	STEPHANIE SHARP	-35.00
03/28/16	21779	COUNTY PROPERTY EXCHANGE	-65.27
03/28/16	21780	Filice, James L.	-184.43
03/28/16	21781	A-1 Services	-403.00
03/28/16	21782	AT&T	-278.18
03/28/16	21783	Brenntag Pacific, Inc.	-2,620.00
03/28/16	21784	Brigantino Irrigation	-113.31
03/28/16	21785	CM Analytical, Inc.	-2,510.00
03/28/16	21786	Corix Water Products	-2,429.38
03/28/16	21787	Emerson Proc. Mgmt.-Rosemount Analytical	-488.48
03/28/16	21788	First Trust Alarm Company	-431.00
03/28/16	21789	Itron, Inc.	-821.41
03/28/16	21790	MBS Business Systems	-467.36
03/28/16	21791	Mc Master-Carr	-86.03
03/28/16	21792	Mid Valley Supply	-793.35
03/28/16	21793	Palace Business Solutions	-286.71
03/28/16	21794	Postal Graphics (was Post Net)	-17.78
03/28/16	21795	Razzolink.com	-209.85
03/28/16	21796	Staples Advantage	-412.76
03/28/16	21797	Stargazer Packaging	-789.14
03/28/16	21798	Toro Petroleum Corp.	-769.64
03/28/16	21799	Verizon Wireless	-382.54
03/28/16	21800	Wright Bros. Indust. Supply	-6.17
03/31/16	21801	Employment Dev. Dept. (EDD) DE88 Pmts.	-7,794.67
03/31/16	21802	CalPERS - Retirement	-1,036.00
03/31/16	21803	CalPERS - Retirement	-957.83
03/31/16	21804	Nationwide Retirements Solutions	-15,347.89
03/31/16	21805	United Way of Santa Cruz	-140.00
03/31/16	21806	ACWA/JPIA	-12,171.77
03/31/16	21807	CalPERS - Health Insurance	-18,581.35
03/31/16	21808	CalPERS - Retirement	-22,373.20
03/31/16	21809	Dearborn National Life Insurance Company	-304.00
03/31/16	21810	HealthSmart Benefit Solutions, Inc. (VSP)	-320.77
03/31/16	21811	Premier Access Insurance Co.	-3,231.85
03/31/16	21812	Postmaster	-1,979.31
03/31/16	21813	Petty Cash	-7.29
04/04/16	21814	GARY FRAZURE	-29.30
04/04/16	21815	Ace Hardware (Johnson Lumber Co.)	-984.09
04/04/16	21816	AT&T	-403.63
04/04/16	21817	Auto Tech Service Center, Inc.	-221.00
04/04/16	21818	Brenntag Pacific, Inc.	-1,258.34
04/04/16	21819	Brigantino Irrigation	-124.45
04/04/16	21820	EBCO Pest Control	-55.00
04/04/16	21821	Konika Minolta Premier Finance	-417.72
04/04/16	21822	Mission Uniform Service	-886.03
04/04/16	21823	Neopost USA, Inc.	-2,297.88
04/04/16	21824	O'Reilly Auto Parts	-164.66
04/04/16	21825	P G & E	-13,117.26
04/04/16	21826	Palace Business Solutions	-89.59
04/04/16	21827	Performance Agriculture	-954.50
04/04/16	21828	Postmaster	-122.60
04/04/16	21829	Recology San Benito County	-129.16
04/04/16	21830	San Benito County-Environ. Health Div.	-5,322.00
04/04/16	21831	San Benito County-Tax Collector	-873.59
04/11/16	21832	All Star Ready Mix, LLC	-1,148.88
04/11/16	21833	Auto Tech Service Center, Inc.	-1,363.29

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
04/11/16	21834	Bianchi Kasavan & Pope, LLP	-266.00
04/11/16	21835	City of Hollister-Finance Dept	-218.52
04/11/16	21836	CM Analytical, Inc.	-5,237.50
04/11/16	21837	Hach Company	-322.55
04/11/16	21838	Performance Agriculture	-908.50
04/11/16	21839	South Valley Internet, Inc.	-20.45
04/11/16	21840	Toro Petroleum Corp.	-1,261.07
04/11/16	21841	Trans Union LLC	-91.45
04/11/16	21842	U.S. Bank Corporate Payment Systems	-1,240.66
04/11/16	21843	Underground Service Alert	-187.50
Total Disbursements			<u>-686,935.69</u>

Director Johnson asked about various checks on the disbursements list and was satisfied with the responses. Director Villalon asked about check #21772 payable to Veolia in the amount of \$1,062.35, and Jim Filice responded that it was for a valve operator gear box for the Lessalt Water Treatment Plant.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 5-0, the consent agenda was approved as presented.

G. NEW BUSINESS:

1. CONSIDER PROCLAIMING MAY 2016 AS “WATER AWARENESS MONTH”:

General Manager/Secretary Ridenhour explained that for the past twenty-five years, the month of May has been celebrated as water awareness month. Each year, new water awareness issues are brought forward to inform and educate California agricultural and urban water users.

The highlighted *Water Awareness* issues for this year are:

- ◆ California’s arid and semi-arid climate makes shortages and conflicting demands the norm; and
- ◆ Climate change could limit the State and Federal government water infrastructure due to less snow pack; and
- ◆ The health, welfare, and quality of life for our community depend on reliable and a high quality water supply; and
- ◆ A diverse water supply portfolio including conservation, water reuse, and new supplies is critical to our region’s future; and
- ◆ Municipal agencies continue to seek cost-effective and efficient systems to deliver water to our residents; and
- ◆ The State, County, cities, and concerned citizens make efforts to foster wise decisions concerning water issues and use; and
- ◆ Home water use can be significantly reduced by repairing leaks, replacing inefficient water fixtures, and adopting personal water conserving practices, and
- ◆ California will experience periodic droughts and water conservation is critical at all times; and
- ◆ Landscape irrigation makes up over half of home water use and can be reduced by monitoring irrigation systems and adopting water efficient landscaping practices; and
- ◆ The District along with other agencies is working to provide cost effective means to reduce water use and the degradation of our water supply from water softener salts; and
- ◆ During May 2016, the District is inviting everyone to find ways to save water both at work and at home.

Shawn Novack of the Water Resources Agency gave a brief PowerPoint presentation showing the importance of water awareness and the need to be conscientious of water conservation.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 5-0, the board moved to proclaim May 2016 as Water Awareness Month.

- 2. RECEIVE A CONSTRUCTION PROGRESS UPDATE ON THE WEST HILLS WATER TREATMENT PLANT:** General Manager/Secretary Ridenhour stated that Auburn Constructors began construction of the West Hills Water Treatment Plant in September of 2015. The project is approximately 25% complete and is on schedule to be complete by December 2017. Significant site grading, raw and finished water pipeline installation, finished water tank construction, and treatment facility foundation work has been completed. Harry Blohm gave a presentation that included construction progress photos to update the Board on the West Hills Treatment Plant construction.

- 3. CONSIDER AUTHORIZING A CREDIT OF \$210,324 FOR THE INSTALLATION OF A 16" PIPELINE IN THE SANTANA RANCH DEVELOPMENT AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A LETTER AGREEMENT WITH STONECREEK PROPERTIES:** Assistant Engineer Rob Hillebrecht explained that on December 16th, 2014, the Board approved the Agreement for Water Facilities and Service (Agreement) with Stonecreek Properties (Developer) for the Santana Ranch Development, a 13 phase development east of Fairview Road. Under this Agreement, a 16" potable water pipeline serving the Middle Pressure Zone is to be installed by the Developer from Fairview Road to the District's tank property. This new pipeline will significantly improve reliability and water flow conditions to and from the District's tank. The Santana Ranch development is not served by the Middle Pressure Zone and the 16" pipeline, thus, the pipeline is not for the Development's benefit. In the Agreement, the District agreed to provide a credit for the cost of the pipeline to the Developer to be used to offset some water capacity fees. The Agreement identified this credit to be a total value of \$202,200 for Phase 1 with the following provision:

"The credit to the developer for constructing the 16" main through phases 3 and 2 will be approved by SSCWD after the plans for those phases have been designed and approved."

The Santana Ranch Phase 3 Improvement Plans have been fully designed and received Sunnyslope approval on March 1, 2016. Based upon the Phase 3 approved plans, the Developer and District Staff negotiated a total cost for the 16" pipeline of \$210,324. The terms and conditions of the District's issuance of the Phase 3 Pipeline Credit to the Developer are further defined and outlined in a Letter of Agreement dated April 19, 2016. Staff will be negotiating the credit for the remaining portion of the 16" pipeline to be installed as part of Phase 2 of the development upon completion and approval of Phase 2 plans in the coming months.

Director Villalon asked if the District would be connecting the pipeline to the tank and Mr. Hillebrecht responded that would need to be negotiated when the time comes and after the pipeline has been fully constructed.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 5-0, the Board authorized a credit of \$210,324 for the installation of a 16" pipeline in the Santana Ranch Development and authorized the General Manager to execute a letter agreement with Stonecreek Properties.

4. CONSIDER AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH MCGILLOWAY, RAY, BROWN, & KAUFMAN FOR AUDIT SERVICES FOR THE DISTRICT'S BASIC FINANCIAL STATEMENT OVER THE NEXT FIVE FISCAL YEARS TOTALING \$96,800, BEGINNING WITH FISCAL YEAR 2015-

16: Finance and Human Resource Manager Cathy Buck stated that the current audit firm used by the District is McGilloyay, Ray, Brown & Kaufman out of Salinas, California. This firm was selected by the Finance Committee in August, 2011 (in 2011, the committee members were Dave Meraz and Dave Clapham), after going through a Request for Proposals process. They began performing audit services for the District for fiscal year ended June 30, 2012.

The current Finance Committee (in 2016, Dave Meraz and Mike Alcorn) met on February 24th. After discussion, the Committee decided to stay with the current audit firm, and bring a Professional Services Contract with their five year Audit Engagement Letter proposal to the board for consideration.

The fee for Audit Services for last fiscal year (ended June 30, 2015) was \$16,750 for the basic financial Statements, plus an additional fee of \$1,100 due to the implementation of GASB 68 (Governmental Accounting Standards Board), which requires us to record our pension liability in the financial statements, and which required extra time and services from the audit firm. The total cost last fiscal year was \$17,850.

Director Johnson asked if the annual audit was required by the State, and Finance Manager Cathy Buck responded that it is a requirement of the lending institutions that the District has borrowed money from.

Upon motion made by Director Meraz, seconded by Director Alcorn, and passed 4-1 (Director Johnson opposed due to entering into a multi year contract), the Board authorized a Professional Services Contract with McGilloyay, Ray, Brown, & Kaufman for audit services for the District's Basic Financial Statement over the next five fiscal years totaling \$96,800, beginning with fiscal year 2015-16.

5. CONSIDER ADOPTION OF RESOLUTION NO. 540 SUPPORTING LOCAL CONTROL OF LONG-TERM WATER CONSERVATION MEASURES AND THE DEPARTMENT OF WATER RESOURCES SETTING WATER SUPPLY MANAGEMENT POLICY IN CALIFORNIA AND AUTHORIZING THE BOARD TO SIGN A LETTER TO STATE LEGISLATORS:

General Manager/Secretary Ridenhour explained that the State Water Resources Control Board (Water Board) adopted emergency drought regulations in May 2015 and extended the regulations in February 2016 through October of 2016. The Association of California Water Agencies (ACWA) has expressed concern regarding the Water Board's actions and expanding their authority into long-term water conservation and water supply management. The State Department of Water Resources (DWR) has historically filled this role through the requirement of Urban Water Management Plans and through the development of drought water banks in the prior droughts.

ACWA is encouraging local agencies to adopt resolutions supporting local control of water conservation measures and the Department of Water Resources setting statewide water supply management policy in California. ACWA is also encouraging member agencies to write letters to their State representatives expressing these concerns.

General Manager/Secretary Ridenhour stated that he has listed all of the Directors, requiring all of their signatures, on the letter he prepared to be sent to the State representatives. Mr. Ridenhour stated that it may have a larger impact coming from all of

the Directors rather than just the President.

Director Johnson stated that she would like two separate motions be made. One regarding adoption of Resolution No. 540 and one regarding the letter to State Legislators.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 5-0, the Board adopted Resolution No. 540 supporting local control of long-term water conservation measures and the Department of Water Resources setting water supply management policy in California.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 5-0, the Board authorized the signing of a letter to State Legislators reinforcing the District's Resolution, to be signed by all Directors of the Board.

H. BOARD COMMITTEE and STATUS REPORTS

- 1. Governance Committee:** Director Johnson reported that due to an emergency she was unable to attend the meeting. Director Villalon attended and reported that a meeting was held on March 23rd to discuss the status of update to the Master Plan; Chromium 6 Compliance plan including the cross town pipeline; West Hills Water Treatment Plant; and the public outreach.
- 2. Water/Wastewater Committee:** General Manager/Secretary reported that the committee met on April 13th. Director Johnson prepared a written report stating that General Manager Ridenhour and Assistant Engineer Hillebrecht briefed Board members on: the proposed agreement with Santana Ranch for providing a Developer Credit for a planned 16" Pipeline to District Tanks; a forecast of 2016 Water Supply update (CA officials have provided no information to date); recent occurrences with the cross town pipeline, including potential agreements for placement of this utility.
- 3. Finance Committee:** No meeting held.
- 4. Policy and Procedure Committee:** Finance Manager Cathy Buck reported that the committee met on April 12th to discuss proposed changes to Chapter 5 – Benefits, of the Employee Handbook (Personnel Policies and Procedures Manual); and discussed the Water Conservation & Management strategy letter to the state. Ms. Buck stated that she will be giving the committee the completed policies and appendices for review in final format and once reviewed, she will forward on to legal counsel for their review.
- 5. Personnel Committee:** No meeting held.
- 6. Water Resources Association of San Benito County (WRA):** Director Johnson prepared a written report stating that the committee met on April 7, 2016, with all agencies represented. Reports of recent activities of the Program manager were reviewed, noting that several educational/community oriented activities are agendized.

Program Manager presented plans and activities for May: Water Awareness Month (each member agency will be addressed at scheduled meetings regarding this).

Considerable discussion ensued regarding the lack of local legislative support in water matters for this area. Concern centered on the need for more local control and input.

The next meeting is scheduled for June 2, 2016 at 4:00 PM in the conference room of the San Benito County Water District.

- 7. Operation Summary, Statement of Income, Investment Summary, Maintenance, City Meter Reading, and Groundwater Level Measurement Reports:** Finance and Human Resource Manager Cathy Buck reported that she has prepared her monthly written narrative report on the Operations Summary (thru March 31, 2016), Statement of Income (thru February 29, 2016), and Investment Summary (thru March 31, 2016). Ms. Buck pointed out that the District has received twenty-three water capacity fees in March 2016, bringing the total to one hundred eighteen received this fiscal year.

Director Johnson requested a comparison spreadsheet for the Statement of Income that would show current year and previous year, side by side to make it easier to follow. General Manager/Secretary Ridenhour and Finance Manager Cathy Buck stated they would look into making a change for an easier comparison.

The District's Investment Summary report reflects the total cash balance as of March 31, 2016 of \$9,927,139.75, which includes nine-months posted interest totaling \$16,693.72 (which is the equivalent of 12 months interest, since the LAIF interest received in July is for the last quarter of last fiscal year). Cathy Buck noted that the checking account balance is growing, but at this time there is not enough to do a transfer to LAIF. If the connection fees continue as they have been, then she will probably be doing a transfer in the near future.

Water/Wastewater Superintendent Jim Filice reviewed the March 2016 Maintenance Staff Report, and asked if the Board had any questions. Director Johnson inquired about #16, responding to an emergency sewer backup at 190 Donna Lane, to unplug a sewer main that was clogged by grease. Mr. Filice stated that this particular section is routinely cleaned, however, in this case it was not cleaned soon enough and the backup went on to the golf course. Mr. Filice stated that the State was notified and that maintenance staff cleaned and disinfected the entire area including the golf course.

Director Johnson inquired about #20, building a new cover for the Ridgemark II diversion pit. Mr. Filice responded that this pit was previously converted to a pump station, but has a wooden top that needed to be rebuilt.

Director Villalon inquired about # 9, responding to a power outage at the Sunnyslope and Memorial Intertie, and asked what the negative was to this type of outage. Mr. Filice stated that there are battery backups that will continue to work for a couple of hours once the power goes out, but after that there is not way of tracking water flow at the intertie. Mr. Filice stated that staff was working with the City of Hollister to get power restored to the District's meters.

Director Villalon also asked about #12, conducting tours of the Lessalt Water Treatment Plant for San Benito High School students. Mr. Filice stated that Shawn Novack conducted the tour, discussing possible water career jobs with the students, and that normally its the grammar school children who tour the facility.

In review of the Meter Reading Report for the period February 16, 2016 to March 15, 2016, the intertie meter data indicates the City received 29.8% of Lessalt Water Treatment Plant water, while the District received 70.2%. Mr. Filice stated that the City of Hollister has paid us back a little more water, reducing the water balance owed to the District.

Director Alcorn inquired about the beginning water balance owed to SSCWD (by COH) on the Hollister/Sunnyslope Intertie Water Balance report and General Manager/Secretary Ridenhour explained that the City received a significant amount of District groundwater in the past and the City and the District have come to an agreement to give credit for sewer

discharges from the Lessalt Water Treatment Plant to the City sewer system, and for Sunnyslope to receive more than 50% of the Lessalt Water Treatment Plant water (we each pay for 50% of the cost to operate the plant and should receive 50% of the water) to pay the District back. General Manager/Secretary Ridenhour explained a letter agreement signed by the City Manager and himself has been prepared to document the arrangement and this has been shared with the Water & Wastewater Committee as well as the Board. The letter arrangement results in no sewer charges to the District for the Lessalt Water Treatment Plant sewer discharges and will result in the City slowly reimbursing the District for the groundwater received.

Water/Wastewater Superintendent Jim Filice reviewed the groundwater level report, and noted that the levels were mixed this month, with four wells up and two wells down.

- 8. Active Tasks Update:** General Manager/Secretary Ridenhour updated the Board on the District's conservation numbers, which slipped below the State's mandates for a fifth month to 24.6% reduction in March, but conservation was still 31.8% since June, 2015. Mandated water conservation measures by the State have been extended through October, 2016. The District's mandated conservation has been reduced to 26% below 2013 levels and may be reduced again in May depending on State drought conditions.

Negotiations with Ladd Ranch developer to install a portion of the 16" cross town pipeline needed in their developments section of Southside Road is underway. Discussions with the High School for a pipeline easement have begun.

To comply with the Chromium 6 regulations, a plan to put Well #8 on standby status has been submitted to the Division of Drinking Water, and the well has been taken off-line to ensure the District stays in compliance with State Standards. A newspaper article is being prepared by WRA to explain the Chromium 6 problem mainly because the City of Hollister. Also noted was the City has been fined due to a disinfection-by-products being too high in their distribution system near the airport. The City will need to send out information notices to their customers as result of the Chromium 6 and the disinfection byproducts issue.

General Manager/Secretary Ridenhour explained that at last months Board meeting, Director Johnson requested that he look into the rail bond money being used for water projects. Mr. Ridenhour reported that signatures are being gathered to place an initiative on the November ballot to shift \$8 billion in remaining rail bond money to water projects. The specific projects include raising Shasta Dam, increasing San Luis Reservoir capacity, building Sites Reservoir near Maxwell, and building Temperance Flat Reservoir on the San Joaquin River.

I. BOARD and STAFF REPORTS

- 1. Directors:** Director Johnson reported on attending a Forum in Los Gatos on April 9th. The emphasis was on keeping the public focused on the need for conservation due to public perception that the drought is over and water use reverts to previous practices. Reports from several areas around the state were received and it was ascertained and agreed that having State officials be responsible for presentation of programs was not the optimal method for providing factual information due to the diversity of geography, topography, and cultures.
- 2. District Counsel:** Attorney Quinn reported that she will be attending the ACWA Spring Conference in Monterey.

3. **Finance and Human Resource Manager:** Cathy Buck reported that she will setting up a Finance Committee meeting for mid-May to review the budget for FY 16-17.
4. **Assistant Engineer:** Assistant Engineer Rob Hillebrecht reported that he has been doing several inspections at the Santana Ranch Development. He also noted that the Villages Development is about 99% complete and will be ready for approval in the very near future.
5. **General Manager:** General Manager/Secretary Ridenhour stated that since we are through the winter months, he requested that maintenance staff re-stripe the parking spaces in the parking lot, and the work has been completed.

J. FUTURE AGENDA ITEMS: Ladd Ranch 16" cross town pipeline proposal.

K. ADJOURNMENT: President Hill adjourned the meeting at 7:07 p.m.

APPROVED BY THE BOARD: *s/ Kathleen A. Hill*

Kathleen A. Hill, President

RESPECTFULLY SUBMITTED: *s/ Donald G. Ridenhour*

Donald G. Ridenhour, Secretary