

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
August 9, 2012

A. CALL TO ORDER: The meeting was called to order at 5:15 p.m. by President Meraz, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

B. ROLL CALL: Present: President Dave Meraz; Directors Dawn Anderson, Dave Clapham, and Danny Villalon; General Manager/Secretary Don Ridenhour; Attorney Christine Kemp; and Executive Assistant/Stenographer Carol Porteur. **Absent:** Director Kathleen Hill.

Staff present for Open Session: District Engineer Ken Girouard, Finance & Human Resources Manager Cathy Buck, and Water Superintendent Jim Filice.

Others present: Harry Blohm, John Johnson, Patrick Imperatrice, and Steve Kelly.

C. CLOSED SESSION: None skip to agenda item G.

D. CALL REGULAR MEETING TO ORDER: N/A, see agenda item A above.

E. ROLL CALL: N/A, see agenda item B above.

F. REPORT ACTION TAKEN IN CLOSED SESSION: N/A.

G. APPROVAL OF AGENDA: Director Clapham requested moving agenda item K-1 to the end of the meeting. Upon motion made by Director Anderson, seconded by Director Villalon, and carried 4-0 (Director Hill absent), the agenda was approved with requested change.

H. 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 from the public.

I. READING AND APPROVAL OF MINUTES: Upon motion made by Director Villalon, seconded by Director Clapham, and carried 4-0 (Director Hill absent) the Board approved the minutes of the July 10, 2012 Special meeting and the July 12, 2012 Regular meeting as presented.

J. OLD BUSINESS:

**1. RECEIVE, REVIEW, DISCUSS, AND TAKE APPROPRIATE ACTION ON
AUDIT PRESENTATIONS BY ROBERT SMILEY, PRINCIPAL,
BERGER/LEWIS ACCOUNTANCY CORPORATION AS FOLLOWS:**

a. Hollister-Sunnyslope Water Treatment Agency Fiscal Year Ended 2/28/2011.

Mr. Smiley reviewed his firm's audit of the Hollister-Sunnyslope Water Treatment Agency's February 28, 2011 and February 28, 2010 financial statements. He discussed the auditors responsibilities in conducting the audit; stated that the financial statements are the responsibility of management; and concluded that, in the end, what you want to get is the auditors opinion on the financial reports.

He discussed the management letter his firm issued, addressed to the Board of Directors of the Water Treatment Agency, in which they communicate any issues noted during the audit. In the “Significant Audit Findings” section, he noted that the most sensitive estimate affecting the financial statements is management’s estimate of the useful lives of its assets for depreciation purposes and that after they evaluated the key factors and assumptions used to develop the useful lives, they are satisfied the useful lives are reasonable in relation to the financial statements taken as a whole. Mr. Smiley noted that there were no difficulties encountered in performing the audit and there were no disagreements with management.

Mr. Smiley began his discussion of the audit by focusing on the Independent Auditor’s Report they issued. He noted that the first paragraph of the letter focuses on the time period covered by the audit. In the second paragraph, the audit standards followed by his firm in conducting the audit are discussed. And, in the third paragraph, they give their opinion on the audit results, which for this year’s audit is a clean opinion. A clean opinion means the audit firm concluded that the financial statements present fairly, in all material respects, the financial position of the Agency as of the audit date. The remaining two paragraphs of the Auditor’s Report discuss the supplementary information presented in the audited financial statements and explains the limited responsibility the auditors take regarding those supplementary reports.

Mr. Smiley explained that the next section, designated by small roman numerals i to ix, is the Management’s Discussion and Analysis (MD&A). The MD&A is provided by management, which covers the description of basic financial statements, and provides management’s analysis of the condensed financial information, change in net assets, capital assets, and other future economic factors. He indicated that it contains useful and informative information, but that he would leave it for the Board to read on their own, while focusing his discussion on the balance of the audited financial statements.

Mr. Smiley continued his discussion by looking at the Balance Sheets on page 2 in the financial reports. He suggested that, as a reader of the financial statements, the Board should look at the cash balance available and should also look at the amount of current assets available to pay the current liabilities. He noted that since the current assets far exceed the current liabilities, the Agency has strong liquidity. Mr. Smiley pointed out that the Agency is capital intensive with over \$8 million in property, plant & equipment before depreciation. He also recommended there should be a cash set-aside for future repairs and replacements.

Next, Mr. Smiley directed attention to the Statements of Revenues, Expenses, and Changes in Net Assets, noting that the Agency's operating revenues are generated from the cost sharing agreement between the City of Hollister and Sunnyslope County Water District, in which 50% of operating expenses are billed to each entity on a monthly basis and that the net operating loss, in this case, is simply operating expenses that were not passed through.

Concluding his discussion, Mr. Smiley focused on the Notes to Financial Statements. He pointed out the importance of a continuing review of financial sources for future major capital asset repairs and replacements. Also, with regard to public credit risk arising from cash deposits, he noted that it is important for the Board to continue regular review of its investment policy.

b. Sunnyslope County Water District Fiscal Year Ended 6/30/2011.

Mr. Smiley began his report on his firm's audit of the Sunnyslope County Water District’s June 30, 2011 and June 30, 2010 financial statements. Mr. Smiley discussed the management letter his firm issued, addressed to the Board of Directors of the District, in which they communicate any issues noted during the audit. In the “Significant Audit Findings” section, he again noted that the most sensitive estimate affecting the financial statements is management’s estimate of the useful lives of its assets for depreciation purposes, which they concluded are reasonable and

he noted the sensitive disclosures in the notes to the financial statements regarding the risk associated with cash. During his report Mr. Smiley stated that there were no disagreements with management and no other audit findings or issues to be disclosed or discussed.

Mr. Smiley directed the Board to the Independent Auditor's Report they issued, which is page 1 of the audited financial statements. He noted again that the first paragraph of their letter focuses on the time period covered by the audit; the second paragraph discusses the audit standards followed by his firm in conducting the audit; the third paragraph is their opinion on the audited financial statements; and the final paragraph discusses the auditors limited responsibility for the supplementary information presented with the financial reports. Mr Smiley explained that the June 30, 2011 and June 30, 2010 audit opinion is a clean opinion, which means the audited financial statements present fairly, in all material respects, the financial position of the District as of the audit date.

Mr. Smiley pointed out again that the next section is the MD&A, or Management's Discussion and Analysis (pages i to xviii), which is a required that management provide, but is not the focus of their audit. He noted that it is an additional informative discussion that is helpful to non-financial readers of the financial data that should be reviewed by the Board on its own.

Mr. Smiley turned the discussion to the Balance Sheets, numbered page 2 and following the MD&A. He noted that one measure of the financial health of the organization is by looking at how much the current assets exceed the current liabilities, and that the District is not having a problem with cash flow. The District can easily meet its current obligations with the cash in its current assets. He added that the District is a capital intense agency with over \$22 million in property, plant & equipment based on historical costs. He again recommended a reserve policy to set aside cash to pay for future repairs and replacements. Mr. Smiley stated that the State Revolving Fund for the Ridgemark Wastewater Treatment and Recycled Water Improvements Project is a new addition to the Long Term Liabilities and only the initial draw of \$1.2 million on the \$11.4 million loan is shown as outstanding as of June 30, 2011. He suggested that the Board may want to look at a five-year budget plan with a possible rate increase to help repay the loan.

The next report is the Statements of Revenues, Expenses, and Changes in Net Assets, which Mr. Smiley reviewed by saying the District had an operating income this year. He went on to discuss the Notes to the Financial Statements, saying that they contain important information for readers of our financial reports, such as Note I for the Post-Retirement Health Benefits. He noted that the District now has a post-employment benefit liability for health benefits, and that the District is currently setting aside the funds in a Trust, but the District may want to book an additional liability based on the high rate of return actuarial assumption used by CalPERS.

Concluding his discussion, Mr. Smiley stated that he has enjoyed working with the District and thanked the Board.

K. NEW BUSINSS:

Note: Agenda item K-1 was moved to the end of the meeting.

- 2. RECEIVE AN UPDATE ON THE HOLLISTER URBAN AREA WATER AND WASTEWATER MASTER PLAN ACTIVITIES FROM HARRY BLOHM, PROGRAM MANAGER:** Harry Blohm stated that in February 2008 the Sunnyslope County Water District (SSCWD) signed an amendment and became part of an existing Memorandum of Understanding (MOU) between the City of Hollister (COH), San Benito County (SBC), and San Benito County Water District (SBCWD). The MOU specifies the intent of implementing the Hollister Urban Area Water and Wastewater Master Plan (HUAWWMP) with the participating agencies. Mr. Blohm explained that the

HUAWWMP 12 month schedule, included in the staff report, includes the ownership of Lessalt Water Treatment Plant, completion of the CH2MHill analysis of benefits and costs, COH and SSCWD completing rate studies, the 218 process of establishing the minimum monthly service charge to be paid by retailers, and administrative fee and costs by SBCWD which are bolded in red. Mr. Blohm stated that all of these are critical path items which they are striving to complete by the first quarter of 2013.

Harry Blohm explained that the agencies have retained a cost and benefits consultant, CH2MHill, to determine which agency pays for what part of the HUAWWMP, and they will be giving a presentation next week to staff from each agency on the various options and a decision should be made at that time. General Manager/Secretary Ridenhour stated that he plans to bring that decision back to the Board in September to begin the process of the rate increase.

Mr. Blohm stated the agencies have retained a Public Outreach Consultant, Data Instincts, to guide the agencies through the process of presenting the purposes and benefits of the water system and supply program to the public.

Mr. Blohm explained that the environmental review work for Lessalt has been started by Environmental Science Associates (ESA). He added that the California Environmental Quality Act (CEQA) may allow a categorical exemption which would simplify the CEQA work.

The West Hills Water Treatment Plant environmental impact review has begun and is on schedule according to Mr. Blohm. He stated that the first notification process, Notice of Preparation, meeting is scheduled for August 16th at San Benito County Water District.

Mr. Blohm concluded his update on the HUAWWMP, stating that the managers of the involved agencies have been working through the details of the Water Supply and Treatment agreement and the Operations and Maintenance Agreement.

- 3. RECEIVE, REVIEW, DISCUSS, AND TAKE APPROPRIATE ACTION ON RIDGEMARK WASTEWATER TREATMENT AND RECYCLED WATER IMPROVEMENTS PROJECT STATUS REPORT AND PROGRESS PAYMENT REQUESTED BY ANDERSON PACIFIC FOR \$385,612.77:** Engineer Girouard summarized progress made on the Ridgemark Wastewater Treatment and Recycled Water Improvements Project by Anderson Pacific from June 30 to July 31, 2012. He recommended approval of a progress payment, after retention of 10%, totaling \$385,612.77. Engineer Girouard noted that, in terms of cost expenditure, this payment will bring completion of the project to approximately 64% complete on a cost basis.

Mr. Girouard stated that staff submitted reimbursement request #10 for \$1,040,370 for the month of June 2012 to the State Revolving Fund and the District has already received the payment.

Upon motion made by Director Villalon, seconded by Director Clapham, and carried 4-0 (Director Hill absent), the Board approved a progress payment to Anderson Pacific in the amount of \$385,612.77 for invoice #108-13.

L. BOARD AND STAFF COMMITTEE STATUS REPORTS:

- 1. Governance Committee:** No report. Next meeting August 15, 2012.
- 2. Water/Wastewater Committee:** General Manager/Secretary Ridenhour reported that he

and Engineer Girouard met with the representatives of the Santana Ranch project to discuss the property site near Lessalt Water Treatment Plant which is needed for grading. Mr. Ridenhour added that during the meeting, the representatives from Santana Ranch stated that they are moving forward with the project and plan to break ground in the next twelve months for the first phase of approximately 100 homes.

General Manager/Secretary Ridenhour reported that Sunnyslope has received the bill from San Benito County Water District for the District's portion of the Governance Committee expenses for the whole year, which was a rather large bill. Mr. Ridenhour has encouraged SBCWD to bill quarterly instead of annually to reduce the impact on the District.

- 3. Finance Committee:** President Meraz reported that the committee met on August 8th and discussed the RFP results for refinancing of the District's debt. General Manager/Secretary Ridenhour stated that he has received three complete proposals for financial advisory services in debt refinancing the CSCDA Series 2002A Revenue Bonds and the Santa Barbara Bank & Trust Loan, payoff of the CalPERS Employer Side Fund liability, and funding source for various capital projects. Mr. Ridenhour added that he will bring the committee's recommendations back to the September Board meeting.

Mr. Ridenhour also reported that the committee discussed the proposals received in response to our RFP for the water rate study; he is checking references; and he hopes to bring the recommended consultant's proposal to the Board in September. He noted that at the direction of the Finance Committee we are also looking to add an analysis of our sewer rates to the scope of work and plan to review water and sewer rates at the same time.

- 4. Policy and Procedure Committee:** Director Anderson reported that the meeting was postponed and has been rescheduled for August 21st. General Manager/Secretary Ridenhour added that attorney Kemp from Noland Hamerly Etienne & Hoss has recommended some changes to the new policies numbered 9010 to 9050 that the committee has been working on and once the committee has reviewed and approved the changes he will bring them back to the Board at a future date. Mr. Ridenhour reported that he is in the process of obtaining purchasing policies from some of the neighboring Districts to compare with SSCWD's policy.
- 5. Water Resources Association of San Benito County:** Director Anderson reported no meeting and the next meeting is scheduled for September 6, 2012.
- 6. Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** General Manager/Secretary Ridenhour stated that he would like to schedule a Special Meeting for a tour of the Ridgemark Wastewater Treatment and Recycled Water Improvement Project on either August 23rd or August 30th in the late afternoon and has asked the Directors to check their calendars for availability.
- 7. State Revolving Fund and Stimulus Package Financing:** General Manager/Secretary Ridenhour reported that staff has been in contact with the State Revolving Fund regarding the 92 day extension, and SRF is open to modifying the agreement but has asked whether perhaps they should wait to see if there are further changes. Director Villalon asked how an audit from the State would look regarding the District's revenue requirements and General Manager/Secretary Ridenhour responded that his concern was regarding the revenue to debt ratio required in the SRF Loan Agreement and that needed to be reviewed prior to completion of the project.

8. Lessalt Water Treatment Plant: General Manager/Secretary Ridenhour reported that the City of Hollister has received approval from their Board for the membrane filter replacement, and it will take a few months to get the materials needed.

9. Water Related Projects: No report.

10. District Operation Summary, Statement of Income, and Investment Summary; Hollister-Sunnyslope Water Treatment Agency Investment and Disbursement Summaries; District Maintenance, Meter Reading, and Well Groundwater Level Reports: The Board reviewed the July 31, 2012 District Operations Summary and the Statement of Income through June 30, 2012. Cathy Buck reported that water sales are up over July 2011 and we are not billing the City for the wholesale water since we are discussing how to resolve the water imbalance with the City. Ms. Buck commented that sewer sales are where we projected them to be, and the past due percentage is down considerably, maybe in part because of the new on-line bill pay. Ms. Buck stated that she has a binder near the Board member mailboxes with customer comments regarding on-line bill pay, which the Directors may review at anytime. Cathy Buck stated that the Statement of Income report is unaudited and could change once the year-end figures are updated. She explained that we currently show a profit for water and wastewater, and the net income for water includes the \$405,676 wholesale water income billed to the City.

Review of the District's Investment Summary report reflects the total cash balance as of July 31, 2012 is \$2,787,208.54, which includes one month earned interest totaling \$729.72. Ms. Buck stated that the account balance reflects the July payment of \$1,004,702 to Anderson Pacific but does not include the receipt of the disbursement request of \$1,040,370 from SRF, as the funds were received August 1st.

The Board reviewed the Hollister-Sunnyslope Water Treatment Agency's Investment Summary ending July 31, 2012, which reflected the cash balance totals of \$1,872,101.70, which includes \$2,395.71 fiscal year-to-date (five month's) interest earned.

The Board reviewed Hollister-Sunnyslope Water Treatment Agency's disbursement report, reflecting the July 11 to August 7, 2012 Disbursement Summary totaling \$221,512.15.

Jim Filice reviewed the July Maintenance Staff Report with no questions from the Board.

During review of the Meter Reading Report for the period June 13 to July 16, 2012, Jim Filice noted the intertie meter data indicates the City received 24.7% of Lessalt water, while the District received 75.3%. Mr. Filice stated that of the total flow to COH, they received surface and groundwater combined. General Manager/Secretary Ridenhour added that the interties are being managed to control the flows but the City continues to receive water through them with most of the flow being groundwater rather than surface water from Lessalt.

Jim Filice reviewed the groundwater level report and noted that well levels are trending down.

In his Active Tasks update, General Manager/Secretary Ridenhour stated that he has received proposals for legal services and once he has shared them with the Personnel Committee, he will bring them to the Board. He reported that he has taken a poll with the employees in regard to the options for changing the payroll pay date, and of the 15 responses he has received, only 2 have requested a change and others prefer to maintain the current system. He added with the current payroll system that we will need to do a

“true up” of time at the end of the year and he will bring this to the Personnel Committee as well.

M. ALLOWANCE OF CLAIMS: The Board reviewed the District's Disbursement Summary for the period July 11 through August 7, 2012.

Upon motion made by Director Anderson, seconded by Director Clapham, and carried 4-0 (Director Hill absent), the Board approved the disbursements totaling \$1,724,913.55, which includes: \$1,394,275.83 for employee compensation and accounts payable to vendors; \$328,570.28 to the City of Hollister for payments collected on their sewer billings; and \$2,067.44 for customer refunds and checks returned for insufficient funds. Last check written as of August 6, 2012 was check #17655.

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
7/13/12	ACH 0344	EFTPS	-135.00
7/31/12	ACH 0346	EFTPS	-22,724.32
7/11/12	ACH 0347	RETURNED CHECK (Ret. Ck 07-01)	-280.56
7/13/12	ACH 0348	RETURNED CHECK (Ret. Ck 07-02)	-155.00
7/13/12	ACH 0349	RETURNED CHECK (Ret. Ck 07-03)	-249.28
7/17/12	ACH 0350	RETURNED CHECK (Ret. Ck 07-04)	-150.00
7/17/12	ACH 0351	RETURNED CHECK (Ret. Ck 07-05)	-300.63
7/19/12	ACH 0352	RETURNED CHECK (Ret. Ck 07-06)	-134.11
7/20/12	ACH 0353	RETURNED CHECK (Ret. Ck 07-07)	-125.00
7/13/12	DD 0609	Clapham, David G	-94.35
7/13/12	DD 0610	Meraz, David E	-186.70
7/13/12	DD 0611	Villalon, Daniel	-188.70
7/31/12	DD 0612	Alvarez, Abel	-4,519.28
7/31/12	DD 0613	Brill, Kelly L.	-4,787.11
7/31/12	DD 0614	Buck, Cathy L.	-6,749.18
7/31/12	DD 0615	Castro, Kevin G.	-4,786.53
7/31/12	DD 0616	Chavez, Jr., Manuel T.	-5,386.71
7/31/12	DD 0617	Eclarin, Ernesto P.	-4,304.40
7/31/12	DD 0618	Estrada, Thomas A.	-4,277.98
7/31/12	DD 0619	Filice, James L.	-7,345.56
7/31/12	DD 0620	Girouard, Kenneth R.	-6,618.04
7/31/12	DD 0621	Hagins, Patrick M.	-4,286.86
7/31/12	DD 0622	Imperatrice, Patrick L.	-5,875.32
7/31/12	DD 0623	Jackson, Patrick W.	-7,010.63
7/31/12	DD 0624	Malko, Kim A.	-2,527.07
7/31/12	DD 0625	Norman, III, Walter R.	-5,565.05
7/31/12	DD 0626	Padilla, David	-4,845.81
7/31/12	DD 0627	Porteur, Carol A.	-3,839.72
7/31/12	DD 0628	Ridenhour, Donald G	-9,582.00
7/31/12	DD 0629	Watson, Scott A.	-4,702.93
7/31/12	DD 0630	Zavala, Anabel G.	-4,081.86
7/31/12	DD 0631	Jackson, Norma	-320.43
7/13/12	17572	Anderson, Dawn V	-188.70
7/13/12	17573	Hill, Kathleen A	-283.05
7/11/12	17574	CWEA Monterey Bay Section	-120.00
7/12/12	17575	Round Table Pizza	-87.58
7/16/12	17576	All Star Ready Mix, LLC	-821.85
7/16/12	17577	Bianchi Kasavan & Pope, LLP	-958.50
7/16/12	17578	Calcon System, Inc.	-879.00
7/16/12	17579	City of Hollister-Finance Dept	-328,570.28
7/16/12	17580	CM Analytical, Inc.	-2,595.00
7/16/12	17581	EBCO Pest Control	-55.00
7/16/12	17582	Electrical Distributors Co.	-86.73
7/16/12	17583	Everbank Commercial Finance, Inc.	-226.35
7/16/12	17584	Hach Company	-3,818.35
7/16/12	17585	HeartReady	-994.50
7/16/12	17586	Koffler Elect Mech Apparatus Repair Inc.	-1,011.96

Date	Num	Name	Amount
7/16/12	17587	Monterey Bay Systems	-831.81
7/16/12	17588	Radio Shack (Crystal T.V.)	-54.10
7/16/12	17589	Staples Advantage	-307.42
7/23/12	17590	A-1 Services	-373.00
7/23/12	17591	Auto Tech Service Center, Inc.	-256.31
7/23/12	17592	Calcon System, Inc.	-26,774.20
7/23/12	17593	Denise Duffy & Associates, Inc.	-1,870.35
7/23/12	17594	Hach Company	-20.11
7/23/12	17595	Hollister-Sunnyslope W. T. A.	-48,439.88
7/23/12	17596	J L Wingert Co.	-604.21
7/23/12	17597	Monterey Bay Systems	-132.70
7/23/12	17598	Neopost USA, Inc.	-2,978.86
7/23/12	17599	NH3 Service Company	-1,002.79
7/23/12	17600	Postal Graphics (was Post Net)	-13.45
7/23/12	17601	Razzolink.com	-99.95
7/23/12	17602	RMC Water and Environment	-8,871.58
7/23/12	17603	Staples Advantage	-298.62
7/23/12	17604	Toro Petroleum Corp.	-1,306.57
7/23/12	17605	Wallace Group	-130.00
7/23/12	17606	BAILEY PROPERTIES INC	-106.63
7/23/12	17607	DOUG EMERSON	-72.59
7/23/12	17608	MIKE JUVET	-118.71
7/23/12	17609	RONALD MILLER	-16.32
7/23/12	17610	PIVETTI CO	-110.33
7/23/12	17611	ALFREDO & CINTHIA SILVA	-71.02
7/23/12	17612	HEIDI & SCOTT WALKER	-135.89
7/23/12	17613	ROBERT M MILLER	-41.37
7/31/12	17614	Employment Dev. Dept. (EDD) DE88 Pmts.	-9,078.98
7/31/12	17615	CalPERS - Retirement	-1,587.18
7/31/12	17616	Nationwide Retirements Solutions	-14,693.27
7/31/12	17617	BAC (Beneficial Administration Company)	-302.32
7/31/12	17618	CalPERS - Health Insurance	-12,061.12
7/31/12	17619	CalPERS - Retirement	-40,721.91
7/31/12	17620	Fort Dearborn Life Insurance Co.	-285.00
7/31/12	17621	Premier Access Insurance Co.	-3,147.64
7/24/12	17622	Postmaster	-235.24
7/26/12	17623	Postmaster	-1,780.58
7/31/12	17624	Anderson Pacific Engineering Constr, Inc.	-1,004,701.50
7/31/12	17625	AT&T	-273.77
7/31/12	17626	BHI Management Consulting	-1,000.00
7/31/12	17627	Brigantino Irrigation	-313.90
7/31/12	17628	City of Hollister-Finance Dept	-1,200.00
7/31/12	17629	CM Analytical, Inc.	-11,900.00
7/31/12	17630	Everbank Commercial Finance, Inc.	-224.08
7/31/12	17631	Ferguson Enterprises, Inc.	-88.65
7/31/12	17632	Hollister Auto Parts, Inc.	-108.24
7/31/12	17633	Judy's Gifts & Awards	-85.80
7/31/12	17634	Noland Hamerly Etienne & Hoss	-2,130.00
7/31/12	17635	P G & E	-35,682.22
7/31/12	17636	Petty Cash	-27.09
7/31/12	17637	Postal Graphics (was Post Net)	-11.11
7/31/12	17638	Rianda Air, Inc.	-126.00
7/31/12	17639	Sierra Chemical Co.	-371.64
7/31/12	17640	South Valley Newspapers (Main St Media)	-45.43
7/31/12	17641	U.S. Bank Corporate Payment Systems	-173.00
7/31/12	17642	Underground Service Alert	-408.90
7/31/12	17643	Verizon Wireless	-292.00
7/31/12	17644	Wright Bros. Indust. Supply	-17.37
8/1/12	17645	Postmaster	-165.00
8/6/12	17646	Ace Hardware (Johnson Lumber Co.)	-233.55
8/6/12	17647	Ferguson Enterprises, Inc.	-61.78
8/6/12	17648	Independent Business Forms, Inc.	-6,634.13

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
8/6/12	17649	Void	0.00
8/6/12	17650	Recology San Benito County	-121.98
8/6/12	17651	San Benito County Water District	-556.50
8/6/12	17652	San Benito Tire, Inc.	-15.00
8/6/12	17653	South Valley Internet, Inc.	-17.95
8/6/12	17654	Kelly, Stephen F.	-11,347.70
8/6/12	17655	Mission Uniform Service	-814.28
Total Disbursements			-1,724,913.55

N. STAFF REPORTS

1. **Directors:** Director Villalon reported that he has submitted his application to Leadership San Benito County and is waiting to hear if he has been accepted.
2. **District Counsel:** No report.
3. **District Engineer:** No report.
4. **Finance-HR Manager:** No report.
5. **General Manager:** No report.

O. FUTURE AGENDA ITEMS: Future agenda items include: Strategic Plan final document back to the Board, award Professional Service Contracts for debt refinancing and water rates, and District tour of the Wastewater Treatment Plant before the SBR unit becomes operational.

The next regular meeting is scheduled to be held at 5:15 p.m. on Thursday, September 13, 2012.

P. ADJOURN: Upon motion made by Director Clapham, seconded by Director Villalon, and carried 4-0 (Director Hill absent), the meeting was adjourned at 7:10 p.m. to the parking lot for agenda item K-1:

K. NEW BUSINSS:

1. **RECEIVE DEMONSTRATION OF A VALVE TURNING MAINTENANCE TRAILER:** Demonstration of the City of Hollister’s Valve Turning Maintenance Trailer was given by Jim Filice. Those present for the demonstration were, Directors Dawn Anderson and Danny Villalon, General Manager/Secretary Don Ridenhour, Engineer Ken Girouard, Finance & Human Resource Manager Cathy Buck, Executive Assistant Carol Porteur, Attorney Christine Kemp, and member of the public John Johnson. Absent from the demonstration were President Dave Meraz and Director Dave Clapham.

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

RESPECTFULLY SUBMITTED: s/Donald G. Ridenhour
 Donald G. Ridenhour, Secretary