

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
December 18, 2018

- A. CALL TO ORDER:** The meeting was called to order at 4:30 p.m. by President Johnson, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. BOARD SWEARING IN CEREMONY:** The swearing in ceremony was conducted by General Manager/Secretary Don Ridenhour, who also administered the Oaths of Office to re-elected Board members Mike Alcorn, Judi Johnson, and Ann Ross.
- C. ROLL CALL: Present:** President Judi Johnson, Director Mike Alcorn, Director Robert J. Rodriguez II, and Director Ann Ross.
- D. PUBLIC COMMENT ON CLOSED SESSION MATTERS:** Members of the public may address the Board on the item or items listed on the Closed Session agenda, with a time limit of 3 minutes per speaker. No public comment was made.
- Staff Present for Closed Session:** General Manager/Secretary Don Ridenhour and Attorney Heidi Quinn.
- E. CLOSED SESSION (PURSUANT TO Government Code Section 54956.9):** At 4:32 p.m. President Johnson closed the meeting to the public to discuss the following:
- 1. Conference with Legal Counsel - Initiation of Litigation, Gov. Code § 54956.9(c):** – Two cases.
 - 2. Conference with Legal Counsel - Anticipated Litigation, Gov. Code § 54956.9(b):** – One case.
- President Johnson reconvened the meeting to open session at 5:15 p.m.
- F. PLEDGE OF ALLEGIANCE:** General Manager/Secretary Ridenhour led Directors, staff, and public in the Pledge of Allegiance.
- G. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION:** Attorney Heidi Quinn reported that on all items, a status update was provided, advice and direction was provided to staff, and no reportable action was taken by the Board.

H. APPROVAL OF AGENDA: Director Ross made a motion to move item #K-4 of New Business, to item #K-1 on the agenda, to discuss Director Compensation before the Board takes action on electing a new President and Vice-President and reassigns Committees. Director Ross expressed her concern that this item be heard since it has been discussed at the Committee level and it is their recommendations being brought to the full board for discussion tonight. The motion was seconded by Director Rodriguez. The vote was 2-1-1, with one opposed, and one abstention. The motion did not carry due to lack of majority (three votes).

Upon motion made by Director Alcorn, seconded by Director Rodriguez, and carried 3-1 (with 1 opposed), the agenda was approved as presented.

I. 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. No public comment was made.

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

J. CONSENT AGENDA:

1. Approval of Minutes – The Board reviewed the minutes for the Regular Meeting of November 20, 2018.
2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of November 14, 2018 through December 10, 2018, totaling \$3,240,140.34, which includes \$2,889,362.23 for payments to vendors and employees, \$346,747.48 paid to the City of Hollister for net City sewer billings, and \$4,030.63 for customer refunds and checks returned. The last check written was check #26375.

Date	Number	Name	Amount
11/15/18	ACH 1296	EFTPS (Special Payroll)	-214.22
11/19/18	ACH 1297	EFTPS (Director Payroll)	-1,181.44
11/15/18	ACH 1298	Employment Dev. Dept. (EDD) DE88 Pmts.	-523.57
11/15/18	ACH 1299	RETURNED ACH (Ret ACH 11-01)	-194.24
11/16/18	ACH 1300	RETURNED ACH (Ret ACH 11-02)	-124.29
11/16/18	ACH 1301	RETURNED ACH (Ret ACH 11-03)	-149.73
11/16/18	ACH 1302	RETURNED ACH (Ret ACH 11-04)	-163.41
11/19/18	ACH 1303	RETURNED ACH (Ret ACH 11-05)	-265.40
11/19/18	ACH 1304	RETURNED ACH (Ret ACH 11-06)	-161.52

Date	Number	Name	Amount
11/19/18	ACH 1305	RETURNED ACH (Ret ACH 11-07)	-154.29
11/19/18	ACH 1306	RETURNED ACH (Ret ACH 11-08)	-135.93
11/19/18	ACH 1307	RETURNED ACH (Ret ACH 11-09)	-197.98
11/19/18	ACH 1308	RETURNED ACH (Ret ACH 11-10)	-139.01
11/19/18	ACH 1309	RETURNED ACH (Ret ACH 11-11)	-392.21
11/19/18	ACH 1310	RETURNED ACH (Ret ACH 11-12)	-132.85
11/19/18	ACH 1311	RETURNED ACH (Ret ACH 11-13)	-132.85
11/19/18	ACH 1312	RETURNED ACH (Ret ACH 11-14)	-163.41
11/19/18	ACH 1313	RETURNED ACH (Ret ACH 11-15)	-129.77
11/19/18	ACH 1314	RETURNED ACH (Ret ACH 11-16)	-451.10
11/27/18	ACH 1315	ACH number was used for a Deposit	0.00
11/30/18	ACH 1316	CalPERS - Retirement	-1,036.00
11/30/18	ACH 1317	CalPERS - Retirement	-2,409.70
11/30/18	ACH 1318	CalPERS - Retirement	-30,481.50
11/30/18	ACH 1319	CalPERS - Health Insurance	-16,392.23
11/30/18	ACH 1320	EFTPS (Regular Payroll)	-27,637.76
11/30/18	ACH 1321	Employment Dev. Dept. (EDD) DE88 Pmts.	-11,473.13
11/28/18	ACH 1322	Transfer to LAIF	-1,000,000.00
11/28/18	ACH 1323	Transfer to Money Market Account	-200,000.00
12/03/18	ACH 1324	Merchant Services	-2,094.68
11/15/18	DD 2407	Alcorn, Michael H.	-369.40
11/15/18	DD 2408	Johnson, Judi H.	-92.35
11/15/18	DD 2409	Rodriguez, II, Robert J.	-230.87
11/15/18	DD 2410	Ross, Ann C.	-230.87
11/15/18	DD 2411	Spencer, Honor A.	-369.40
11/16/18	DD 2412	Buck, Cathy L.	0.00
11/30/18	DD 2413	Alvarez, Abel	-5,413.88
11/30/18	DD 2414	Bernal, Melissa M	-2,794.31
11/30/18	DD 2415	Boltz, William K	-6,817.76
11/30/18	DD 2416	Brill, Kelly L.	-4,864.69
11/30/18	DD 2417	Buck, Cathy L.	-6,302.77
11/30/18	DD 2418	Burbank, Jr., Dee J.	-5,334.82
11/30/18	DD 2419	Castro, Kevin G.	-5,707.06
11/30/18	DD 2420	Chavez, Jr., Manuel T.	-7,189.44
11/30/18	DD 2421	Eclarin, Ernesto P.	-6,783.54
11/30/18	DD 2422	Filice, James L.	-7,491.78
11/30/18	DD 2423	Hagins, Patrick M.	-4,814.69
11/30/18	DD 2424	Hernandez, Bazilio	-6,053.00
11/30/18	DD 2425	Hillebrecht, Robert B.	-4,794.71
11/30/18	DD 2426	Jackson, Patrick W.	-5,902.45
11/30/18	DD 2427	Malko, Kim A.	-3,796.03
11/30/18	DD 2428	Norman, III, Walter R.	-5,881.49

Date	Number	Name	Amount
11/30/18	DD 2429	Padilla, David	-5,541.28
11/30/18	DD 2430	Porteur, Carol A.	-4,476.47
11/30/18	DD 2431	Quick, Troy E.	-6,017.44
11/30/18	DD 2432	Ridenhour, Donald G.	-10,661.73
11/30/18	DD 2433	Sanchez, Ricardo A.	-5,290.81
11/30/18	DD 2434	Watson, Scott A.	-7,596.63
11/30/18	DD 2435	Zavala, Anabel G.	-4,373.22
11/16/18	26288	Eclarin, Ernesto P.	-2,870.11
11/19/18	26289	Norman, III, Walter R.	-26.00
11/19/18	26290	Sanchez, Ricardo A.	-150.00
11/19/18	26291	A-1 Services	-403.00
11/19/18	26292	Brenntag Pacific, Inc.	-16,340.30
11/19/18	26293	Calgon Carbon Corporation	-44,436.80
11/19/18	26294	City of Hollister-Finance Dept	-346,747.48
11/19/18	26295	De Lay & Laredo	-2,100.00
11/19/18	26296	EBCO Pest Control	-60.00
11/19/18	26297	Edges Electrical Group, LLC	-213.43
11/19/18	26298	Evoqua Water Technologies LLC (Siemens)	-11,443.56
11/19/18	26299	Hach Company	-2,657.85
11/19/18	26300	John Smith Road Landfill	-1,248.30
11/19/18	26301	San Benito County Water District	-315.75
11/19/18	26302	Trans Union LLC	-139.53
11/19/18	26303	Wright Bros. Indust. Supply	-204.15
11/19/18	26304	Wright Bros. Welding & Sheet Metal, Inc.	-12.93
11/19/18	26305	City of Hollister-Finance Dept	-60.60
11/26/18	26306	Assoc. of Calif. Water Agencies (ACWA)	-14,450.00
11/26/18	26307	Brenntag Pacific, Inc.	-22,931.85
11/26/18	26308	Calcon System, Inc.	-2,838.00
11/26/18	26309	CWEA Membership- TCP	-92.00
11/26/18	26310	San Benito County Water District	-319,816.90
11/26/18	26311	Specialty Construction Inc.	-740,306.97
11/26/18	26312	Sunnyslope County Water - Retainage	-38,963.53
11/26/18	26313	Konica Minolta Premier Finance	-412.91
11/26/18	26314	Pinnacle Agriculture	-744.71
11/26/18	26315	SUEZ WTS Analytical Instruments, Inc.	-268.13
11/26/18	26316	Toro Petroleum Corp.	-1,695.44
11/26/18	26317	CWEA Membership- TCP	-87.00
11/26/18	26318	Razzolink.com	-76.95
11/26/18	26319	Postmaster	-194.19
11/30/18	26320	Nationwide Retirements Solutions	0.00
11/30/18	26321	Dearborn National Life Insurance Company	-368.00
11/30/18	26322	HealthSmart Benefit Solutions, Inc. (VSP)	-303.01

Date	Number	Name	Amount
11/30/18	26323	Premier Access Insurance Co.	-3,078.46
11/30/18	26324	Nationwide Retirements Solutions	-27,426.13
11/29/18	26325	Petty Cash	-30.49
11/29/18	26326	Postmaster	-2,061.86
12/03/18	26327	CalPERS OPEB Trust	-25,000.00
12/03/18	26328	STEPHANIE NAVAREZ & ANDRES JIMENEZ	-11.31
12/03/18	26329	LLANO INC.	-647.96
12/03/18	26330	OSIRIS CENTENO & JUAN TORRES	-30.63
12/03/18	26331	Ace Hardware (Johnson Lumber Co.)	-1,027.84
12/03/18	26332	AT&T	-372.43
12/03/18	26333	Auto Tech Service Center, Inc.	-825.77
12/03/18	26334	Brenntag Pacific, Inc.	-8,996.52
12/03/18	26335	Brigantino Irrigation	-172.87
12/03/18	26336	Central Ag Supply LLC	-367.94
12/03/18	26337	CM Analytical, Inc.	-5,493.75
12/03/18	26338	Corix Water Products	-2,136.63
12/03/18	26339	Grundfos CBS Inc.	-4,470.00
12/03/18	26340	Hach Company	-201.35
12/03/18	26341	Kruger	-54,543.06
12/03/18	26342	Mission Uniform Service	-815.24
12/03/18	26343	Palace Business Solutions	-132.75
12/03/18	26344	PAPA	-45.00
12/03/18	26345	San Benito Tire Pros & Automotive	-60.00
12/03/18	26346	State Water Resources Control Board-DWOCP	-60.00
12/03/18	26347	USA Blue Book	-696.43
12/03/18	26348	Verizon Wireless	-295.11
12/03/18	26349	Wright Bros. Indust. Supply	-185.46
12/05/18	26350	San Benito County-Tax Collector	-1,120.15
12/10/18	26351	Johnson, Judi H.	-2,260.86
12/10/18	26352	ANDRES DE LA TORRE	-252.74
12/10/18	26353	Accurate Air Engineering Inc - Lodi	-999.54
12/10/18	26354	Ace Hardware (Johnson Lumber Co.)	-214.12
12/10/18	26355	AT&T	-538.72
12/10/18	26356	Bracewell Engineering, Inc.	-126.00
12/10/18	26357	Brenntag Pacific, Inc.	-12,984.11
12/10/18	26358	Corix Water Products	-1,239.06
12/10/18	26359	Don Chapin Co. Inc., The	-140.00
12/10/18	26360	Evoqua Water Technologies LLC (Siemens)	-32,475.00
12/10/18	26361	Fastenal Company	-253.54
12/10/18	26362	Ferguson Enterprises, Inc.	-131.06
12/10/18	26363	Geotechnical Consultants, Inc.	-7,771.00
12/10/18	26364	Green Line	-3,146.00

Date	Number	Name	Amount
12/10/18	26365	Hollister Auto Parts, Inc.	-49.38
12/10/18	26366	MBS Business Systems	-1,252.56
12/10/18	26367	P G & E	-16,575.62
12/10/18	26368	Postal Graphics (was Post Net)	-53.26
12/10/18	26369	Precision Auto Glass	-359.80
12/10/18	26370	San Benito Tire Pros & Automotive	-307.30
12/10/18	26371	South Valley Internet, Inc.	-20.45
12/10/18	26372	State Water Resources Control Board-AFRS	-7,981.00
12/10/18	26373	Toro Petroleum Corp.	-1,489.37
12/10/18	26374	U.S. Bank Corporate Payment Systems	-4,420.22
12/10/18	26375	State Water Resources Control Board-DWOCP	-90.00
			\$ <u>-3,240,140.34</u>

President Johnson asked Ms. Buck to explain check #26372, dated 12/10/18 payable to State Water Resources Control Board-AFRS in the amount of \$7,981.00. Ms. Buck stated this is for annual permit fees for running wastewater for sites within the District.

Upon motion made by Director Ross, seconded by Director Alcorn, and carried 4-0 the consent agenda was approved as presented.

Ms. Buck added a comment about the great work Ms. Porteur does preparing the minutes each month, as evidenced by no corrections proposed after the Board has reviewed.

K. NEW BUSINESS:

- 1. TAKE APPROPRIATE ACTION TO ELECT A PRESIDENT AND VICE-PRESIDENT OF THE BOARD OF DIRECTORS, AND PRESIDENT TO ASSIGN DIRECTOR DUTIES TO STANDING DISTRICT COMMITTEES FOR 2019. (Not a project under CEQA per Article 20, Section 15378):** General Manager/ Secretary Ridenhour stated that the Board of Directors annually elects one of the five Board of Directors to serve as the President of the Board and a second Director to serve as the Vice President of the Board. The President of the Board then assigns Directors to serve on the four standing committees, the Water Resources Agency, the Association of California Water Agency Joint Powers Insurance Authority, and to perform check signing responsibilities on behalf of the District. Director Judi Johnson has served as President and Director Mike Alcorn has served as Vice-President for 2018. The 2018 committee assignments were as follows:

Finance Committee:

Directors: Mike Alcorn & Honor Spencer (Alternate – Judi Johnson)

Staff: Finance/HR Manager and General Manager

The committee reviews all District Finance activities, investment, purchase, policies including Investment Recommendations, Budget and Audit Review, & the Lessalt Budget.

Water & Wastewater Committee:

Directors: Robert Rodriguez & Ann Ross (Alternate – Honor Spencer)

Staff: Assistant Engineer and General Manager

The committee reviews and provides direction for new and existing water and wastewater projects and programs including planning and construction phases. Meets with other government representatives and private groups regarding joint project considerations.

Employee & Personnel Committee:

Directors: Mike Alcorn & Honor Spencer (Alternate – Judi Johnson)

Staff: Finance/HR Manager and General Manager

The committee reviews and advises on employee personnel policies. Actively participates in Employee Negotiations process and assessment of personnel issues as needed.

Policy and Procedures Committee:

Directors: Ann Ross & Robert Rodriguez (Alternate – Judi Johnson)

Staff: Finance/HR Manager and General Manager

This Committee reviews and recommends certain Policy and Procedures not related to other Committee Assignments and responsibilities.

WATER RESOURCES AGENCY:

Director: Judi Johnson (Alternate – Ann Ross)

Staff: General Manager and District Engineer

The District's representative appointed to Water Resources Agency of San Benito County (WRA) Board of Directors. The participant WRA agencies are San Benito County Water District, City of Hollister, City of San Juan Bautista, and Sunnyslope County Water District. The WRA is a corroborative group that cannot make direction decisions, but which oversee water conservation programs, salinity issues, and groundwater management practices.

ACWA/JPIA – BOARD REPRESENTATIVE:

Directors: Judi Johnson (Alternate – Mike Alcorn)

The District's representative attends the semi-annual JPIA board meetings and vote on behalf of the District.

District Check Signing Responsibility:

Directors: 1st Quarter – Honor Spencer, 2nd Quarter – Mike Alcorn,
3rd Quarter – Ann Ross, and 4th Quarter – Robert Rodriguez

The Director assigned will come into the District Office and sign checks weekly and on special occasions as needed.

Director Rodriguez nominated Director Alcorn for President. Director Alcorn accepted the nomination. The motion was seconded by Director Ross, and carried 4-0.

Director Rodriguez nominated Director Ross for Vice-President. Director Ross accepted the nomination. The motion was seconded by Director Johnson, and was carried 4-0.

President Alcorn assumed his role as President and switched seats with former President Johnson, and took over conducting the meeting.

President Alcorn asked if the assignment of committees could be postponed until the fifth Board Member is appointed. General Manager/ Secretary Ridenhour responded that it is at the Board's discretion. The Board discussed and decided that it would be best to fill the Employee & Personnel Committee, which was vacated by Director Spencer, due to the ongoing employee negotiations, and the first two quarters of District Check Signing Responsibility. The remaining committees could wait to be assigned once a new Board Member is appointed.

President Alcorn switched Director Ross from the Policy and Procedures Committee (leaving a vacancy on that committee) to the Employee & Personnel Committee. The District Check Signing for the 1st Quarter was assigned to Director Ross and 2nd Quarter was assigned to Director Johnson.

- 2. CONSIDER AUTHORIZING PURCHASE OF REPLACEMENT WATER METERS FOR AN AMOUNT NOT TO EXCEED \$300,000 (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Ridenhour explained that the District continues to replace water meters that are reaching the end of their service life and set new 1" water meters within new development projects. The District's inventory of meters is nearly depleted and to keep up with new development demand and aging meter replacements, staff is requesting authority to purchase 400 – 5/8"-3/4" meters, 300 – 1" meters, and 2 – 2" meters.

The purchase of the meters is anticipated in the capital budget presented to the Board with the operations budget earlier this year for fiscal year 2018/2019. Meters set for new development will be offset by meter set fees.

Upon motion made by Director Johnson, seconded by Director Ross, and carried 4-0 the Board authorized the General Manager to purchase 702 replacement water meters for a total cost of approximately \$206,000.

- 3. CONSIDER APPROVAL AND AUTHORIZE THE PRESIDENT TO SIGN THE AGREEMENT FOR WATER FACILITIES AND SERVICE FOR THE SILVER OAKS DEVELOPMENT (Mitigated Negative Declaration Adopted by the City of Hollister on July 23, 1998):** Associate Engineer Hillebrecht explained that the proposed Silver Oaks Development is located between Airline Highway and Valley View Road just north of Fire Station 2 on Union Road. The development includes the creation of 170 new senior houses on smaller lots (averaging about 4,000 square feet) and a Community Center along with new roadways and other improvements in phases over the next few years. All units will be age restricted for senior housing only.

The development will receive potable water and fire protection water service from Sunnyslope County Water District as it is within the District's boundary. The Sunnyslope Board issued a Letter of Intent to serve potable water to the development on September 17, 2001 and approved, executed, and recorded a previous Agreement for Water Facilities and Service on February 5, 2014. That Agreement has since expired and a new Agreement is needed to update bond and deposit amounts and address other changes. The additional water demands from this development have been considered and addressed in the Hollister Urban Area Water Master Plan to ensure the District has sufficient water supply to serve such development.

Mr. Hillebrecht explained that the Agreement provided in your Board packet is the District's standard agreement for water facilities and service to a new development. The District currently has the capacity and ability to serve this development with potable water. Yet the Agreement acknowledges the District's right to terminate the Agreement if severe drought, or other unforeseen circumstances significantly limit its capacity or ability to serve new customers.

Associate Engineer Hillebrecht also stated that with this development, the District will be requiring the Developer to install additional larger pipes that will help to get more water from the District's Well 2 into the water distribution system. He also stated that with the Crosstown Pipeline operational, Well 2 will become even more critical, and this upgrade to a larger pipeline will benefit the District.

Director Johnson asked Associate Engineer Hillebrecht to explain how this development ties into the Hollister Urban Area Water Master Plan (HUAWMP). Mr. Hillebrecht explained that in 2015, the HUAWMP considered and planned for the impact of

developments anticipated to be built in the near future, and Silver Oaks Development was one them. The future demands were based on the development projections. The District is able to meet the demands projected in the Master Plan.

President Alcorn asked how often the HUAWMP is updated, and Associate Engineer Hillebrecht stated that in 2008 Sunnyslope County Water District signed on to the HUAWMP as one of the agreeing agencies. The HUAWMP was last updated in 2016, with the anticipated next update being in the year 2022.

Director Ross asked for the definition of Mitigated Negative Declaration and Attorney Heidi Quinn explained that Mitigated Negative Declaration is a short document that describes the proposed project, presents findings related to environmental conditions, includes a copy of the Initial Study which documents the reasons to support the findings, and includes mitigation measures, if any, included in the project to avoid potentially significant effects. Ms. Quinn stated that just because there may be an impact, does not mean the project cannot go forward.

There was much discussion amongst the Board regarding various parts of the District's standard contract.

Upon motion made by Director Johnson to authorize the President to sign the agreement for water facilities and service for the Silver Oaks Development, and seconded by Director Rodriguez, the motion was approved with a vote of 4-0.

4. **CONSIDER INCREASING THE BOARD OF DIRECTOR'S COMPENSATION FOR ATTENDANCE AT MEETINGS AND FOR SERVICE RENDERED AND DIRECT STAFF TO BRING A FUTURE ORDINANCE AND POLICY REVISION TO FUTURE BOARD MEETING FOR CONSIDERATION (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Ridenhour stated that the District Board of Directors are compensated for their services to the District pursuant to Policy #7020, which references California Water Code Section 30507. The current compensation is \$100 per day for each days attendance at meetings of the Board, meetings of Committees to which Board members are appointed, and for each day's service rendered as a Director by request of the Board, not exceeding 6 days in any calendar month. The current compensation was last amended on June 12, 1997 increasing from \$75 per day to \$100 per day. California Water Code Sections 20200 through 20207 allow for Board compensation to be adjusted by ordinance and for an amount not to exceed 5% per calendar year since the date of the last adjustment. Also, no ordinance may authorize compensation for more than 10 days in any calendar month.

The Policy and Procedures Committee met on October 25th and discussed possible options regarding adjustments to Board compensation. At 5% per year since 1997, the highest the Board could consider raising compensation would be approximately \$278 per day of service. The Committee recommends the Board consider raising Board compensation to \$200 per day and maintaining the monthly cap of 6 days or \$1,200 per month per Board member for serving on the Board.

Modifying Board compensation requires adoption by ordinance, which requires noticing in the local newspaper. If the Board decides to modify compensation, staff will draft the appropriate ordinance, prepare and post the proper public notices, modify the District's Policy #7020, and bring them back to the Board in January for formal consideration.

Director Johnson first thanked the committee for the work they did on this item, she also expressed her disagreement with increasing the Board's Compensation and explained that the District is dependent upon rate payers and she does not feel that the Board should increase rates, in part to compensate the Board. Director Johnson also feels that for her, being on the Board is a community service and she loves what she does.

Director Ross expressed her concerns that the current compensation does not entice people to run for the Board, and she does not agree that the increase would have a big impact on District financially. Director Ross also stated the low compensation cheapens the job and lowers the status of serving on the Board.

President Alcorn stated that he originally requested the consideration of an increase, and is not opposed to the \$200 for Board meeting, but not for committee meetings. He stated that the three Board members that ran for election in November 2018 were unopposed, possibly due to the current compensation and the cost for an individual to run in the election, the compensation could be one of the factors influencing this.

Director Johnson made a motion to change the compensation to \$60 per meeting. No second was received, so the motion failed.

Director Ross made a motion to provide health and dental insurance in lieu of the increase to \$200. Attorney Quinn stated that this motion is a substantial change to the item and would need to be brought back to a future meeting, after it had been properly noticed to the public.

Director Ross then made a motion to consider the original request of the Policy and Procedures Committee, increasing Board compensation to \$200 per day and maintaining the monthly cap of 6 days, or \$1,200 per month per Board member for serving on the

Board, and was seconded by Director Rodriguez. This motion received a vote of 2 yes, and 2 no, so the motion failed.

President Alcorn then passed the gavel to Vice-President Ross, and made a motion to increase the Board compensation to \$200 for the main (regular/special) board meetings and \$150 for committee meetings, not to exceed the \$1,200 per month, per Director. The motion was seconded by Director Rodriguez. This motion received a vote of 2 yes, and 2 no, so the motion failed.

Director Rodriguez made a motion to take the item back to the committee, with no second, the motion failed.

President Alcorn stated that pending no action, this item may be revisited at a future time at his discretion/request.

L. BOARD COMMITTEE and STATUS REPORTS

- 1. Governance Committee:** No meeting.
- 2. Water/Wastewater Committee:** No meeting.
- 3. Finance Committee:** No meeting.
- 4. Policy and Procedure Committee:** No meeting.
- 5. Personnel Committee:** No meeting.
- 6. Water Resources Association of San Benito County (WRA):** No meeting.
- 7. Operation Summary, Statement of Income, Investment Summary, Maintenance, City Meter Reading, and Groundwater Level Measurement Reports:** Finance and Human Resource Manager Cathy Buck prepared her monthly written narrative report on the Operations Summary (thru November 30, 2018), Statement of Income (thru October 31, 2018), and Investment Summary (thru November 30, 2018). Ms. Buck stated she did not have any significant changes to point out and asked the Board if they had any questions.

Director Johnson asked Ms. Buck about the capacity fees and Ms. Buck pointed out that the capacity fees are down this month, and are down compared to last year, but stated that they vary month to month, going up and down, and we could have catch up with a big month later this fiscal year.

Ms. Buck reported that the net income projected for the current fiscal year of \$546,789 exceeds the budgeted net loss projection of \$421,793. The capacity fees and investment income represent unbudgeted revenues and help the District do better than the budgeted results. Subtracting the capacity fees and investment income received to date, the projected net loss would be \$86,776, which is still better than the budget expectation of a loss of \$421,793.

The District's Investment Summary report reflects the total cash balance as of November 30, 2018 of \$11,790,261.32, which includes posted interest totaling \$81,001.18 (five months interest on the Money Market, and interest on the LAIF investment that posted in July and October). Ms. Buck pointed out that even in making a substantial payment on the Crosstown Pipeline construction, the District still has as much money invested this year as they did last year at this time.

Water/Wastewater Superintendent Jim Filice reported on the November 30, 2018 Maintenance Staff Report, and asked the Board if there were any questions, and there were none. Mr. Filice pointed out #17 under Wastewater, work with Nicholson Construction at Paullus Drive Lift Station to clean out and install new pump base bolts and repair the broken 2" discharge pipe. Mr. Filice stated that there are three pumps mounted at the lift station and one of the bases that hold down the pumps broke loose and broke a discharge pipe. We contracted with Green Line to pump the waste discharge so the repairs could be conducted by Nicholson.

In review of the Meter Reading Report for the period of October 15, 2018 to November 14, 2018, the intertie meter data indicates the City received -4.1% of Lessalt Water Treatment Plant water, while the District received 104.1%, and the City received 100% of the West Hills Water Treatment Plant water, while the District received 0%. Mr. Filice reported that the City paid us back a little more water on their outstanding water balance.

Water/Wastewater Superintendent Jim Filice reported on the groundwater level report, stating that the levels are continuing in the upward direction.

- 8. Active Tasks Update:** General Manager/Secretary Ridenhour reported that Specialty Construction is back working on the Crosstown Pipeline project after a delay due to materials availability. They have begun work on the District's booster pump station. The project is anticipated to be complete by May of 2019.

The Lompa Property Annexation was approved at the LAFCO at their December 13th meeting. Construction should begin on this new development in the summer of 2020.

The contractor constructing Sunnyside Estates on Southside Road damaged a new 12” water main on December 4th, resulting in a very large main break causing a significant disruption to service and resulted in brown water in the District’s water system. District staff spent much of the day flushing fire hydrants to improve water conditions. Cost for the response will be charged to the development.

San Benito County Water District has started their Prop 218 process for rate increase on surface water and on pumped well water in the coming three fiscal years. SSCWD has anticipated this in our master planning and the cost increase will result in water costs going up approximately \$40,000 in FY 19/20 and increasing \$80,000 in FY 21/22. The District’s revenue will absorb these increases.

M. BOARD and STAFF REPORTS

1. **Directors:** Director Johnson thanked the Board for allowing her to attend the ACWA/JPIA Fall Conference in San Diego in November and gave a full report on sessions she attended.
2. **District Counsel:** No report.
3. **Finance and Human Resource Manager:** Ms. Buck reported that a 6-month budget review will be on the February agenda.
4. **Assistant Engineer:** No report.
5. **General Manager:** General Manager/Secretary Ridenhour reported that he has in hand three Board member applications to fill the Board vacancy and is expecting a fourth very soon. He stated that the deadline is January 9th at 2 p.m.
9. **FUTURE AGENDA ITEMS:** Board appointment.

N. ADJOURNMENT: President Alcorn adjourned the meeting at 6:34 p.m.

APPROVED BY THE BOARD: *s/ Michael H. Alcorn*
Michael H. Alcorn, President

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