

**MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
December 19, 2017**

- A. CALL TO ORDER:** The meeting was called to order at 5:15 p.m. by President Johnson, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. ROLL CALL: Present:** President Judi Johnson; Directors; Mike Alcorn, Robert J. Rodriguez II, Ann Ross; and Honor Spencer.
- C. PLEDGE OF ALLEGIANCE:** Director Rodriguez led Directors, staff, and public in the Pledge of Allegiance.
- D. APPROVAL OF AGENDA:** Upon motion made by Director Ross, seconded by Director Rodriguez, 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.

Staff present for Open Session: General Manager/Secretary Don Ridenhour, Attorney Michael D. Laredo, Executive Assistant/Stenographer Carol Porteur, Finance and HR 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 November 21, 2017.
- 2. Allowance of Claims– to ratify disbursements for the period from November 14, 2017 through December 11, 2017, totaling \$1,713,495.95, which includes \$1,710,901.10 for payments to, vendors and employees, and \$2,594.85 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written was check #25230:

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
11/15/17	ACH 1041	EFTPS	-122.40
11/16/17	ACH 1042	RETURNED ACH (ACH Ret. 11-01)	-161.01
11/16/17	ACH 1043	RETURNED ACH (ACH Ret. 11-02)	-169.19
11/17/17	ACH 1044	RETURNED ACH (ACH Ret. 11-03)	-334.91
11/17/17	ACH 1045	RETURNED ACH (ACH Ret. 11-04)	-116.42

Date	Number	Name	Amount
11/17/17	ACH 1046	RETURNED ACH (ACH Ret. 11-05)	-178.47
11/17/17	ACH 1047	RETURNED ACH (ACH Ret. 11-06)	-211.79
11/17/17	ACH 1048	RETURNED ACH (ACH Ret. 11-07)	-207.66
11/17/17	ACH 1049	RETURNED ACH (ACH Ret. 11-08)	-296.10
11/28/17	ACH 1050	Heritage Bank of Commerce (Tfr. open MMA)	-300,000.00
11/29/17	ACH 1051	Local Agency Investment Fund	-700,000.00
11/30/17	ACH 1052	CalPERS - Retirement	-1,036.00
11/30/17	ACH 1053	CalPERS - Retirement	-1,982.91
11/30/17	ACH 1054	CalPERS - Retirement	-26,516.83
11/30/17	ACH 1055	CalPERS - Health Insurance	-15,334.62
11/22/17	ACH 1056	RETURNED CHECK (Ck. Ret 11-01)	-177.37
11/30/17	ACH 1057	EFTPS	-1,437.38
11/30/17	ACH 1057	EFTPS	-29,063.48
11/30/17	ACH 1058	Employment Dev. Dept. (EDD) DE88 Pmts.	-529.65
11/30/17	ACH 1058	Employment Dev. Dept. (EDD) DE88 Pmts.	-10,616.40
11/27/17	ACH 1059	RETURNED CHECK (Ck. Ret 11-02)	-176.12
12/04/17	ACH 1060	Merchant Services	-1,868.02
11/15/17	DD 2085	Alcorn, Michael H.	-184.70
11/15/17	DD 2086	Johnson, Judi H.	-92.35
11/15/17	DD 2087	Rodriguez, II, Robert J.	-184.70
11/15/17	DD 2088	Ross, Ann C.	-92.35
11/15/17	DD 2089	Spencer, Honor A.	-184.70
11/30/17	DD 2090	Alvarez, Abel	-5,843.41
11/30/17	DD 2091	Boltz, William K	-5,354.02
11/30/17	DD 2092	Brill, Kelly L.	-4,513.08
11/30/17	DD 2093	Buck, Cathy L.	-6,726.84
11/30/17	DD 2094	Burbank, Jr., Dee J.	-5,068.09
11/30/17	DD 2095	Castro, Kevin G.	-4,753.48
11/30/17	DD 2096	Chavez, Jr., Manuel T.	-7,947.26
11/30/17	DD 2097	Eclarin, Ernesto P.	-6,941.24
11/30/17	DD 2098	Filice, James L.	-7,182.57
11/30/17	DD 2099	Hagins, Patrick M.	-4,451.18
11/30/17	DD 2100	Hernandez, Bazilio	-5,561.76
11/30/17	DD 2101	Hillebrecht, Robert B.	-4,029.65
11/30/17	DD 2102	Jackson, Patrick W.	-6,000.18
11/30/17	DD 2103	Malko, Kim A.	-3,395.92
11/30/17	DD 2104	Norman, III, Walter R.	0.00
11/30/17	DD 2105	Padilla, David	-5,159.43
11/30/17	DD 2106	Porteur, Carol A.	-4,255.40
11/30/17	DD 2107	Quick, Troy E.	-6,038.07
11/30/17	DD 2108	Ridenhour, Donald G.	-10,346.85
11/30/17	DD 2109	Sanchez, Ricardo A.	-5,625.05
11/30/17	DD 2110	Watson, Scott A.	-7,109.36
11/30/17	DD 2111	Zavala, Anabel G.	-4,340.92
11/16/17	25143	Buck, Cathy L.	-225.72

Date	Number	Name	Amount
11/16/17	25144	Eclarin, Ernesto P.	-2,612.05
11/16/17	25145	Void	0.00
11/20/17	25146	A-1 Services	-403.00
11/20/17	25147	American Water Works Association (AWWA)	-767.00
11/20/17	25148	Auto Tech Service Center, Inc.	-189.06
11/20/17	25149	Bianchi Kasavan & Pope, LLP	-105.00
11/20/17	25150	Brenntag Pacific, Inc.	-4,817.71
11/20/17	25151	Calgon Carbon Corporation	-41,257.88
11/20/17	25152	CM Analytical, Inc.	-7,640.00
11/20/17	25153	De Lay & Laredo	-2,100.00
11/20/17	25154	Edges Electrical Group, LLC	-970.20
11/20/17	25155	National Meter & Automation, Inc.	-32.47
11/20/17	25156	OnTrac	-10.16
11/20/17	25157	Pinnacle Agriculture	-735.00
11/20/17	25158	San Benito County Mosq. Abatement Program	-126.23
11/20/17	25159	Wright Bros. Welding & Sheet Metal, Inc.	-7.48
11/21/17	25160	Postmaster	-205.01
11/27/17	25161	Brenntag Pacific, Inc.	-13,240.58
11/27/17	25162	Charles P. Crowley Company, Inc.	-540.90
11/27/17	25163	Corix Water Products	-1,392.72
11/27/17	25164	CWEA Membership- TCP	-175.00
11/27/17	25165	EBCO Pest Control	-60.00
11/27/17	25166	Fastenal Company	-72.61
11/27/17	25167	Hollister Auto Parts, Inc.	-634.02
11/27/17	25168	Hollister Safe & Lock Inc.	-606.20
11/27/17	25169	Konica Minolta Premier Finance	-412.91
11/27/17	25170	Mc Master-Carr	-879.18
11/27/17	25171	O'Reilly Auto Parts	-3.18
11/27/17	25172	Palace Business Solutions	-361.95
11/27/17	25173	Radio Shack (Crystal T.V.)	-10.81
11/27/17	25174	Wright Bros. Indust. Supply	-138.58
11/30/17	25175	Dearborn National Life Insurance Company	-352.00
11/30/17	25176	HealthSmart Benefit Solutions, Inc. (VSP)	-302.24
11/30/17	25177	Premier Access Insurance Co.	-2,786.68
11/30/17	25178	Nationwide Retirements Solutions	-25,238.93
11/30/17	25179	Postmaster	-1,963.00
11/30/17	25180	Petty Cash	-78.49
12/04/17	25181	Chavez, Jr., Manuel T.	-150.00
12/04/17	25182	Ace Hardware (Johnson Lumber Co.)	-609.02
12/04/17	25183	All Star Ready Mix, LLC	-1,416.17
12/04/17	25184	AT&T	-606.16
12/04/17	25185	Brenntag Pacific, Inc.	-15,331.91
12/04/17	25186	Brigantino Irrigation	-154.57
12/04/17	25187	Central Ag Supply LLC	-64.33
12/04/17	25188	CM Analytical, Inc.	-3,775.00

Date	Number	Name	Amount
12/04/17	25189	Corix Water Products	-41.28
12/04/17	25190	Ferguson Enterprises, Inc.	-152.20
12/04/17	25191	Void	0.00
12/04/17	25192	Interstate Battery System of San Jose Inc	-137.02
12/04/17	25193	Mc Master-Carr	-1,242.31
12/04/17	25194	McGilloway, Ray, Brown & Kaufman	-1,840.00
12/04/17	25195	Mission Uniform Service	-912.08
12/04/17	25196	National Meter & Automation, Inc.	-64,636.52
12/04/17	25197	P G & E	-22,639.56
12/04/17	25198	Razzolink.com	-132.90
12/04/17	25199	San Benito County Assessor	-30.85
12/04/17	25200	San Benito County Water District	-266,743.69
12/04/17	25201	Shape Products	-153.51
12/04/17	25202	State Water Resources Control Board-OOC	-350.00
12/04/17	25203	Toro Petroleum Corp.	-1,350.44
12/04/17	25204	True Value Hardware	-7.99
12/04/17	25205	USA Blue Book	-77.46
12/04/17	25206	Verizon Wireless	-355.33
12/04/17	25207	San Benito County Water District	-516.43
12/04/17	25208	Gavilan EAC	-110.00
12/11/17	25209	Alvarez, Abel	-150.00
12/11/17	25210	Animal Damage Management	-185.00
12/11/17	25211	AT&T	-221.45
12/11/17	25212	City of Hollister-Finance Dept	-49.31
12/11/17	25213	Credit Consulting Services, Inc.	-26.55
12/11/17	25214	Hach Company	-1,011.65
12/11/17	25215	MBS Business Systems	-937.81
12/11/17	25216	Precision Auto Glass	-353.47
12/11/17	25217	Recology San Benito County	-128.51
12/11/17	25218	Ryan Herco Flow Solutions	-561.74
12/11/17	25219	South Valley Internet, Inc.	-20.45
12/11/17	25220	Toro Petroleum Corp.	-1,243.32
12/11/17	25221	U.S. Bank Corporate Payment Systems	-865.38
12/11/17	25222	Wright Bros. Indust. Supply	-265.53
12/11/17	25223	GINA MARIE BOZZO	-88.38
12/11/17	25224	ROYCE R HEATH SR	-24.78
12/11/17	25225	RONALD J KLAUER	-150.82
12/11/17	25226	STEWART M & DENISE M LONG	-6.73
12/11/17	25227	ANNA ROGERS	-9.33
12/11/17	25228	ALFRED SANTOS	-37.54
12/11/17	25229	MICHAEL SARGEANT	-170.89
12/11/17	25230	EDORNIE J SMITH	-77.34
Total Disbursements			<u>-1,713,495.95</u>

President Johnson inquired about check #25162 issued to Charles P. Crowley Company, Inc. for \$540.90, and stated this is a new vendor. Jim Filice responded that we purchased three back pressure valves. President Johnson also asked about check #25218 issued to Ryan Herco Flow Solutions for \$561.74, which was for recirculating sample pumps for use at the West Hills Water Treatment Plant.

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

G. NEW BUSINESS:

1. CONSIDER APPROVAL OF MODIFICATIONS TO POLICY 7060

COMMITTEES OF THE BOARD OF DIRECTORS: (Not a project under CEQA

per Article 20, Section 15378): General Manager/Secretary Ridenhour stated that Board discussed modifications to the Standing Committees and their respective duties at the September 19, 2017 Board meeting. These modifications included eliminating the Governance Committee as a separate Committee and including representation on that committee a part of the Water & Wastewater Committee. A second revision is proposed to the duties of the Policy & Procedures Committee authorizing this Committee to provide direction to the General Manager to send correspondence regarding current legislative and regulatory issues. The modifications discussed and proposed are shown in the “red-line” version of Policy 7060 and the Standing Committee Listing below.

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7060. B. 2. – The Board’s standing **Water & Wastewater Committee** shall be concerned with reviewing and providing direction for new and existing water and wastewater projects and programs, including planning phases, construction phases, ~~and~~ recycled water issues, ~~and serving as the District’s representatives on the Governance Committee.~~ ~~The Governance Committee oversees and updates the comprehensive Water/Wastewater Urban Area Master Plan with City of Hollister, San Benito County Water District, and San Benito County.~~ This committee may meet with other government representatives and private groups regarding joint project considerations and overview. This committee interacts with District staff, consultants, governmental policy makers, and private companies.

7060. B. 3. – Strike in its entirety (re: standing **Governance Committee**).

7060. B. 65 – The Board’s standing **Policy & Procedures Committee** shall be concerned with reviewing, developing, and proposing District policies, including review and update of the Employee Handbook, to ensure policies & procedures comply with current state and federal laws and regulations. This committee interacts with District staff. ~~This committee also provides authorization as deemed appropriate for the General Manager to respond with timely correspondence to current legislative and regulatory issues.~~

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There was discussion amongst the Board with regard to the Policy & Procedures Committee authorizing this committee to provide direction to the General Manager to send correspondence regarding current legislative and regulatory issues, and not bringing it to the full Board. The Board agreed that in a situation where the two committee members did not feel comfortable making a decision on giving direction, the item would then be brought to the full Board at the next board meeting.

Upon motion made by Director Alcorn, seconded by Director Spencer, and carried 4-1 (Director Ross opposed), the Board approved modifications to Policy 7060 Committees of the Board of Directors.

2. **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 2018 (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 served as President and Director Mike Alcorn served as Vice President for 2017.

Director Spencer nominated Director Johnson for President. Director Johnson accepted the nomination for President. The motion was then seconded by Director Rodriguez, and unanimously carried (5-0).

Director Ross nominated Director Alcorn for Vice President. Director Alcorn accepted the nomination, and then the motion was seconded by Director Spencer, and unanimously carried (5-0).

President Johnson assigned Directors to the following committees or agency representatives:

- Finance Committee – Mike Alcorn & Honor Spencer (Alternate – Judi Johnson);
- Water/Wastewater Committee – Robert Rodriguez & Ann Ross (Alternate – Honor Spencer);
- Employee & Personnel Committee – Mike Alcorn & Honor Spencer (Alternate – Judi Johnson);
- Policy and Procedures Committee – Mike Alcorn & Robert Rodriguez (Alternate – Judi Johnson);

- Water Resources Agency – Judi Johnson (Alternate – Ann Ross);
- ACWA/JPIA Board Representative – Judi Johnson (Alternate – Mike Alcorn); and
- District Check Signing Responsibility for 2018 –
 - First quarter – Honor Spencer;
 - Second quarter – Mike Alcorn;
 - Third quarter – Ann Ross; and
 - Fourth quarter – Robert Rodriguez

3. CONSIDER AUTHORIZING THE GENERAL MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN BENITO HIGH SCHOOL DISTRICT AND SUNNYSLOPE COUNTY WATER DISTRICT FOR THE ACQUISITION OF AN EASEMENT FOR THE CROSSTOWN PIPELINE:

General Manager/Secretary Ridenhour stated that the District has entered into a professional services agreement with Kennedy/Jenks Consultants for the design of the Crosstown Pipeline and is working toward the construction of the pipeline to deliver water from the West Hills Water Treatment Plant to the District in 2018. The pipeline will begin on Nash Road adjacent to the City of Hollister’s Well #5 and extend to the District’s Well #11 on Southside Road just south of Union Road. An easement is necessary for constructing the pipeline through the San Benito High School property to avoid a more congested and expensive route in Nash Road bisecting the High School and passing through the San Benito Street/Nash Road intersection. An appraisal was prepared by Michael Cullinan Appraisal & Realty determining the fair value of the permanent pipeline and construction easement which was determined to be \$61,938. The pipeline is proposed to be built as part of a County Bypass Road Project around the southern edge of the High School property in the summer of 2018. A Memorandum of Understanding (MOU) is needed with the San Benito High School District to identify the terms and conditions of the easement acquisition for the pipeline prior to completion of the District’s pipeline design.

District staff have been working with High School and County staff to lay out the details of constructing the Crosstown Pipeline through the High School Property in coordination with a bypass road being designed by San Benito County. The plan is to provide the County with the design plans and specifications for the portion of the Crosstown Pipeline that will pass through the High School property and have this portion of the pipeline constructed as part of the County Bypass Road Project in the summer of 2018. The attached and proposed MOU with High School is the first step in securing the right to construct the pipeline on High School property and will be followed in the coming months by a completed design and reimbursement agreement with the County for the actual construction.

The Crosstown Pipeline design is currently 30% complete and we are on schedule to finish the design in late winter or early spring in time to construct the pipeline in the summer of 2018. Our designer is working with the County's roadway designer to blend the two projects so the portion running through the High School property can be built under one contract and at the same time. The City of Hollister is also involved in this review as they will be paying a portion of the construction cost of the pipeline as is specified in the reimbursement agreement with the City of Hollister that was approved by the Board on August 7, 2017. Constructing this portion of the pipeline around the High School and as part of a larger roadway project being constructed by the County will save the District and the City significantly. The exact savings is unknown, but the conflicts with other utilities, the traffic control costs, and anticipated frustration by the community if we were to construct the pipeline down Nash Road bisecting the High School would have been substantial.

Upon motion made by Director Ross, seconded by Director Rodriguez, and carried 5-0 the Board authorized the General Manager to Execute a Memorandum of Understanding between the San Benito High School District and Sunnyslope County Water District for the acquisition of an easement for the crosstown pipeline.

H. 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, 2017), Statement of Income (thru October 31, 2017), and Investment Summary (thru November 30, 2017). Ms. Buck asked if the Board had any questions.

Ms. Buck stated that the District has received twenty-three water capacity fees and zero wastewater capacity fees in November 2017, bringing the total to ninety-three water capacity fees and one wastewater capacity fee received this fiscal year. In November 2016, we received eight water capacity fees and zero wastewater capacity fees, bringing the totals to fifty-four water capacity fees and one wastewater capacity fee during the same period last fiscal year.

Ms. Buck also explained that during December the late fees tend to go up due to customers not paying their bills on time because of Christmas, also noting that customers tend to get caught back up quickly by January-February.

The District's Investment Summary report reflects the total cash balance as of November 30, 2017 of \$11,491,333.67, which includes posted interest totaling \$22,241.18 (five months interest on the CDs, and interest on the LAIF investment that posted in July and October). Cathy Buck reported that CD's that Heritage Bank of Commerce offered us were "flexible" add/on Certificates of Deposit (CD) which allowed money to go in and be drawn out as long as a minimum balance was maintained. The bank is no longer able to offer this type of CD, so Ms. Buck closed the CD and transferred \$1,500,000 to our LAIF investment account, with the accumulated earnings on the CD of \$21,205.62 rolling into the new Heritage Bank Money Market Account.

Water/Wastewater Superintendent Jim Filice reported on the November 30, 2017 Maintenance Staff Report, and asked the Board if there were any questions. President Johnson asked several questions on the Maintenance staff report to which Mr. Filice gave full explanations.

In review of the Meter Reading Report for the period of October 16, 2017 to November 15 2017, the intertie meter data indicates the City received 4.9% of Lessalt Water Treatment Plant water, while the District received 95.1%, and the City received 100% of the West Hills Water Treatment Plant water, while the District received 0%. Mr. Filice stated that the City owes more water to the District and will continue until the City turns their boosters back on which will likely be after the 1st of the year.

Water/Wastewater Superintendent Jim Filice reported on the groundwater level report stating that the levels are trending upward.

8. **Active Tasks Update:** General Manager/Secretary Ridenhour noted that he had already covered discussion of the progress of the crosstown pipeline. Next he reported that the punch list items continue to be addressed at the West Hills Water Treatment Plant (WHWTP); a tractor has been purchased by San Benito County Water District for use at

the WHWTP for sludge removal and other plant needs; and the State has authorized water from WHWTP to be moved into Sunnyslope's system through interties with the City of Hollister, which may happen as soon as January. President Johnson commented that she notices the variety of supplies being purchased for the West Hills Water Treatment Plant and believes it is necessary to be able to work efficiently.

The City of Hollister is considering growth control measures that could reduce development in the District. At the December 11th Council Meeting, staff was directed to come back in January with a proposal of 244 units per year limitation on market rate single family homes. This limit would be below the number of housing units built in each of the past few years within the City and will not impact the District if approved.

Mr. Ridenhour stated that Verizon is no longer interested in proceeding with the antenna lease on the District's Fairview Tank Site with the revised lease, so it is likely the project is not going to happen. Staff will continue negotiations if they return in the future since this discussion has been ongoing for approximately 8 years and they already have approvals from the County for this site.

Advertising has begun to fill the Billing Clerk/Receptionist position which was approved by the Board at the November meeting. The application period closes on January 12th, and interviews will likely be scheduled in late January, 2018.

General Manager/Secretary Ridenhour reported that he and Cathy Buck attended a Human Resources training in Gilroy on December 6th that reviewed changes in employment law for 2018. Mr. Ridenhour explained that a couple of changes that he was not aware of that will be taking place are the fact that you can no longer ask for salary history, or if the applicant has a criminal record, on the Employment Application form. Ms. Buck has already updated the District's application form and posted the new version on the website.

I. BOARD and STAFF REPORTS

1. **Directors:** No report.
2. **District Counsel:** No report.
3. **Finance and Human Resource Manager:** No report.
4. **Assistant Engineer:** Assistant Engineer Hillebrecht reported that he will be on vacation beginning December 22nd and will be returning on January 2nd.

5. **General Manager:** General Manager/Secretary Ridenhour reported that he will be on vacation beginning December 21st and will return on December 26th.

J. FUTURE AGENDA ITEMS: The following agenda items will be brought to future meetings: None at this time.

K. ADJOURNMENT: President Johnson adjourned the meeting at 6:32 p.m.

APPROVED BY THE BOARD: *s/ Judi H. Johnson*
Judi H. Johnson, President

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