

**MINUTES**  
**BOARD OF DIRECTORS**  
**SUNNYSLOPE COUNTY WATER DISTRICT**  
**Regular Meeting**  
**December 9, 2010**

**A. CALL TO ORDER:** The meeting was called to order at 5:15 p.m. by President Keck, following a 4:45 p.m. swearing in ceremony for new Board Members at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California. Secretary Bryan Yamaoka administered the Oaths of Office to Directors Dawn Anderson, Doug Keck, Danny Villalon, and Dave Clapham.

**B. ROLL CALL: Directors Present:** President Doug Keck, Vice-President Dave Meraz, Dawn Anderson, Dave Clapham, and Danny Villalon.

**OTHERS PRESENT:** Secretary Bryan Yamaoka, District Engineer Ken Girouard, Finance & Human Resource Manager Cathy Buck, Water Superintendent Jim Filice, Executive Assistant Carol Porteur, Attorney Lloyd Lowrey, and meeting stenographer Laura Wiener-Smolka.

**C. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS:** There were no public comments.

**D. READING OF MINUTES:** Upon motion made by Director Anderson, seconded by Director Meraz, and unanimously carried, the minutes of November 11, 2010 regular meeting were approved as presented.

**E. OLD BUSINESS:** None.

**F. NEW BUSINESS**

**1. RECEIVE, REVIEW, DISCUSS and TAKE APPROPRIATE ACTION TO ELECT PRESIDENT and VICE PRESIDENT FOR BOARD OF DIRECTORS AND PRESIDENT TO ASSIGN DIRECTOR DUTIES TO STANDING DISTRICT COMMITTEES:** Director Anderson nominated Dave Meraz for the office of President. The motion was seconded by President Keck, and by unanimous vote, Dave Meraz was elected to serve as President for the ensuing year.

President Meraz nominated Doug Keck to serve as Vice President. The nomination was seconded by Director Anderson, and by unanimous vote Doug Keck was elected to serve as Vice President for the ensuing year.

President Meraz made the following committee appointments:

**FINANCE** - Directors: Meraz and Clapham; Staff: Buck and Yamaoka

**WATER/WASTEWATER** - Directors: Keck and Villalon; Staff: Girouard and Yamaoka

**GOVERNANCE** - Directors: Keck and Villalon; Alternate: Anderson; Staff: Girouard and Yamaoka

**EMPLOYEES & PERSONNEL** - Directors: Meraz and Clapham; Alternate: Anderson; Staff: Buck and Yamaoka

**WATER RESOURCES AGENCY** - Director: Anderson; Alternate: Keck; Staff: Yamaoka and Girouard

**ETHICS COMPLIANCE** - This will be an ad hoc committee to meet when necessary.

**POLICIES & PROCEDURES** - New committee; appointments will be made at the next meeting.

Upon motion made by Director Keck, seconded by President Meraz, and unanimously carried, the Board ratified the President's committee appointments.

**2. BRIEF ETHICS TRAINING AND BROWN ACT PROVISIONS REGARDING OPEN MEETING PROVISIONS:**

Attorney Lowrey gave a brief presentation on AB1234 which requires that elected officials attend ethics training within one year of taking office and every two years thereafter while in office. Attorney Lowrey explained that the training can be accomplished at a workshop or by self-study available online at the Attorney General or Fair Political Practices websites. The four primary areas of focus are: absence of personal financial gain; absence of taking personal advantages; government transparency; fair processes and objectivity to be given to members of the public.

Attorney Lowrey said the focus for tonight would be on #3, government transparency, which is covered by the Brown Act provisions such as when and where to post meeting agendas and that discussions by a quorum of Board members must be held in public (except as provided for closed sessions). He cautioned about inadvertently violating the Brown Act by talking about District business to more than one Board member, including the results of a chain of conversations passed on from one person to another, whether in person or by phone or email.

During his presentation, Attorney Lowrey reviewed various topics including Conflict of Interest, Public Records Act, disclosure of campaign contributions, types of expenses claimed for reimbursement, and abstaining from discussion of and voting on an agenda item if there could be a perception of a conflict of interest. More information can be found on these topics at the Attorney General's web site.

Attorney Lowrey asked if the Board wished to set a date for ethics training. The Board set the training date for January 5, 2011, 4:15 p.m., at the District office.

**3. HOLLISTER URBAN AREA WATER/ WASTEWATER MASTER PLAN**

**UPDATE:** Secretary Yamaoka introduced Harry Blohm, Program Manager for the Governance Committee. He gave an overview and history of the Hollister Urban Area Water/Wastewater Master Plan and the Hollister Urban Area Master Plan Implementation Program – Coordinated Water Supply and Treatment Plan and Memorandum of Understanding (MOU). Mr. Blohm discussed the Memorandum of Understanding which was signed by four agencies: San Benito County Water District, Sunnyslope County Water District, the City of Hollister, and the County of San Benito. He stated that long-term goals include drinking water and recycled water quality, increase reliability of water supply, and coordinate infrastructure improvements for water and wastewater systems.

The Hollister Urban Area is defined by adopted General Plans from the City of Hollister and County of San Benito.

He presented an overview of a phased-in plan to meet the goals of the MOU through the year 2023 and beyond. The primary Water Quality challenge is that our existing water supply is hard (300-440 mg/l Hardness) and has high salinity (700-950 mg/l TDS). The adopted MOU goal is to deliver water at 120 mg/l Hardness and 500 mg/l TDS. During his report, Mr. Blohm spoke about the significant extreme cost (\$2,000 per acre foot of water) to demineralize groundwater compared to the cost of purchasing surface water (\$150 per acre feet) for a second surface water treatment plant. Since groundwater

demineralization projects are so costly to construct and operate, this project will be time phased since water demand growth has slowed. Hopefully reduction in the cost of membranes, and improved brine disposal options will lower future costs for groundwater treatment.

Future water supply demand will significantly exceed available water supply. In the year 2005 our water demand was 7,965 ac-ft of water and it is estimated that an additional 4,000 ac-ft of water needs to be secured by the year 2023 as our water demand is projected to increase to 11,840 ac-ft of water.

He also spoke about high groundwater levels in North County which is detrimental to agriculture, and the need to address this issue. In addition, water stored at San Justo Reservoir requires additional treatment to remove iron and manganese so it can be used by the existing Lessalt surface water treatment plant and any future surface water treatment plants.

The Lessalt Water Treatment Plant needs the following improvements: increase hydraulic capacity to original design capacity, meet compliance with Disinfection Byproduct Rule, membrane replacement due to normal wear, and the ability to effectively treat San Justo Reservoir Water.

A second proposed surface water treatment plant is being analyzed for: hydraulic capacity (which will be determined upon future development of sufficient supplemental water supply), site selection, and process selection.

4. **RECEIVE, REVIEW, DISCUSS AND TAKE APPROPRIATE ACTION TO INSTALL NEW 12" WATER VALVES LOCATED ON FAIRVIEW ROAD IN CONJUNCTION WITH LEAL VINEYARD TURN LANE CONSTRUCTIONS PROJECT:** President Meraz expressed concern that this agenda item, as stated, does not accurately reflect the action the Board is requested to take. After discussion the item was deferred to a future Board Meeting.
5. **RECEIVE, REVIEW, DISCUSS AND TAKE APPROPRIATE ACTION TO AUTHORIZE NEW DIRECTORS TO ATTEND BOARD MEMBER TRAINING:** After a brief discussion, upon motion made by Director Keck, seconded by Director Anderson, and carried unanimously, the Board authorized attendance by any Board members and employees so requesting, to the California Special District Association workshop on February 3, 2011, in Pebble Beach, CA.

## **G. BOARD AND STAFF COMMITTEE STATUS REPORTS**

1. **Governance Committee:** Secretary Yamaoka reported that the Governance Committee's next meeting is January 19, 2011 at 6:00 p.m. Directors Keck and Villalon will attend that meeting.
2. **Water Resources Association of San Benito County:** Director Anderson reported that the WRA's next meeting will be held at 5:30 p.m. on January 6, 2011, at the San Benito County Water District's Board meeting room. The last WRA meeting was canceled due to lack of a quorum.
3. **Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** Secretary Yamaoka reported that the anticipated funding source for this project is a State Revolving Fund loan; that the District's application for funds is on the State Board's December 14 meeting agenda. Engineer Girouard commented that if the District's

funding application is approved, the Wastewater Treatment project will go out to bid on December 16<sup>th</sup>; there will be a pre-bid meeting on January 20<sup>th</sup>; that the bids are due back on February 8<sup>th</sup>; and construction costs will be reviewed on February 10th. He anticipates presenting bids to the Board for consideration at its March Board meeting or at a Special Meeting. Potentially, construction could start in April and it would take 18 months to two years to build.

4. **State Revolving Fund and Stimulus Package Financing:** This item was covered during discussion of agenda item G.3.
5. **Lessalt Water Treatment Plant:** Engineer Girouard reported that he is currently working on pilot testing the Acti-flo-CARB process. Jim Filice will be meeting with operators to discuss electricity and water connections and logistics of the pilot unit for Acti-flo-CARB. The Acti-flo-CARB process would potentially be used at the proposed Westside Surface Water Treatment Plant. It has been determined that nanofiltration is the best process for the second treatment process at the Lessalt Water Treatment Plant. Selections of filters and pumping scenarios for Lessalt are being discussed. Predesign for both the Lessalt and Westside Water Treatment projects will begin soon.
6. **Water Related Projects:** No report.
7. **District Operation Summary, Statement of Income, and Investment Summary; Lessalt Water Treatment Agency Investment and Disbursement Summaries; District Maintenance, City Meter Reading, and Well Groundwater Level Measurement Reports:** During review of the District Operations Summary, Cathy Buck commented that page 2 was inadvertently omitted, which is the Water Metered and Water Source data and that she will include the information at the next meeting.

Cathy Buck reviewed the Statement of Income for the first five months of the fiscal year, and noted that the numbers for November are preliminary, since all of the invoices for November have not been received. Secretary Yamaoka commented that the Statement of Income will now be one month behind because the Board's meeting is too early in the month to allow complete compilation of the previous month's financial data.

Ms. Buck noted that fiscal year-to-date water and sewer revenues are up from last year. She commented that the water and sewer rate increases go into effect on December 21. However, the resulting revenue increase won't reflect in financial reports to the Board until January revenue is reported and we start collecting the payments in February.

During her review of the Investment Summary for the fiscal year's first five months, Ms. Buck noted that the District's fund balance as of November 30th is \$2,014,161.24, which includes five months earned interest totaling \$5,213.55.

The Board reviewed financial reports for the Lessalt Water Treatment Agency, including the November 12 through December 9, 2010 Disbursement Summary totaling \$46,401.37. The Lessalt Water Treatment Agency Investment Summary ending November 30 reflects a fund total of \$1,603,501.92, which includes \$11,725.09 fiscal year-to-date interest earnings.

During review of the November Maintenance Report, Secretary Yamaoka explained that the monthly Maintenance Report only shows unscheduled special operation and maintenance projects and duties. A list was presented to the Board that shows regularly scheduled Daily, Weekly, and Monthly maintenance staff duties not reported on the Maintenance Report. The District has nine water/wastewater maintenance employees

and Crew Chief Pat Jackson.

Jim Filice responded to questions from Board members about details regarding various items in the report. In response to Director Anderson's inquiry regarding Item #9, pertaining to nails around the entrance to the Fairview water tank, Mr. Filice stated that apparently vandals scattered the nails for the purpose of flattening maintenance vehicle tires. In response to Director Keck's question about Item 22, referencing leaks in the shop roof, Mr. Filice explained that repairs involved caulking the leaky areas of the roof where odd roof angles come together.

Jim Filice reviewed the Meter Reading Report for the period October 15 to November 17, 2010 and noted intertie meter data indicates the City owes the District 175.3 million gallons of water. The District received 49.7% of Lessalt water during this period, and the City received 50.3%. Since installation of the intertie meters, the total Lessalt water received by the District to date (10-months) is 58.8%, with the City at 41.2%. Mr. Filice stated that he anticipates that by the end of the water allocation year (March) the surface water proportions should even out.

During review of the December groundwater level report, Mr. Filice noted that well levels are beginning to trend upward, which is typical this time of year.

**H. ALLOWANCE OF CLAIMS:** During review of the District's Disbursement Summary for the period November 12 through December 9, 2010, Cathy Buck responded to Directors' questions. Upon motion made by Director Anderson, seconded by Director Keck, and unanimously carried, the Board approved the disbursements totaling \$376,463.10, which includes: \$369,722.57 for payroll and vendors; \$5,816.47 for customer refunds and returned checks; and \$924.06 for employee medical benefit plan reimbursements. Last check written as of December 6, 2011 was check # 15726.

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
11/10/10	ACH 0078	Anthem Blue Cross of California-Jackson	-78.50
11/26/10	ACH 0080	San Benito Bank	-463.82
11/17/10	RET ACH11-1	RETURNED ACH	-1,738.31
11/15/10	CK RET11-1	RETURNED CHECK	-688.88
11/16/10	CK RET11-2	RETURNED CHECK	-150.00
11/18/10	CK RET11-3	RETURNED CHECK	-171.00
11/18/10	CK RET11-4	RETURNED CHECK	-270.00
11/24/10	CK RET11-5	RETURNED CHECK	-80.00
11/26/10	CK RET11-6	RETURNED CHECK	-144.09
11/26/10	CK RET11-7	RETURNED CHECK	-133.60
11/30/10	DD 0126	Alvarez, Abel	-4,036.60
11/30/10	DD 0127	Brill, Kelly L.	-4,377.84
11/30/10	DD 0128	Buck, Cathy L.	-6,913.40
11/30/10	DD 0129	Castro, Kevin G.	-3,717.28
11/30/10	DD 0130	Chavez, Jr., Manuel T.	-5,036.09
11/30/10	DD 0131	Eclarin, Ernesto P.	-4,282.67
11/30/10	DD 0132	Estrada, Thomas A.	-3,824.64
11/30/10	DD 0133	Filice, James L.	-6,817.07
11/30/10	DD 0134	Girouard, Kenneth R.	-6,476.59
11/30/10	DD 0135	Hagins, Patrick M.	-4,366.53
11/30/10	DD 0136	Imperatrice, Patrick L.	-5,294.24
11/30/10	DD 0137	Jackson, Patrick W.	-5,850.63
11/30/10	DD 0138	Norman, Ill, Walter R.	-5,075.96
11/30/10	DD 0139	Padilla, David	-4,885.55
11/30/10	DD 0140	Porteur, Carol A.	-3,481.60
11/30/10	DD 0141	Robson, Ann	-2,322.23
11/30/10	DD 0142	Watson, Scott A.	-3,624.82
11/30/10	DD 0143	Yamaoka, Bryan M.	-10,782.65

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Amount</b>
11/30/10	DD 0144	Zavala, Anabel G.	-4,134.64
12/7/10	DD 0145	Hailstone, Stephen B. (Dir. Dep.)	-100.00
12/7/10	DD 0146	Meraz, David (Dir. Dep.)	-100.00
12/7/10	DD 0147	Wiener-Smolka, Laura S. (Dir. Dep.)	-200.00
11/12/10	15633	Hollister-Sunnyslope W.T.A.	-28.63
11/15/10	15634	All Star Ready Mix, LLC	-436.93
11/15/10	15635	Anthem Blue Cross of California	-12,948.00
11/15/10	15636	Anthem Blue Cross of California-Jackson	-430.00
11/15/10	15637	Berger/Lewis Accountancy Corporation	-3,000.00
11/15/10	15638	Bianchi Kasavan & Pope, LLP	-81.00
11/15/10	15639	Calif. Dept. of Pesticide Regulation	-60.00
11/15/10	15640	CM Analytical, Inc.	-5,120.00
11/15/10	15641	Employment Dev. Dept. (EDD) DE2176 Pmts.	-2,570.00
11/15/10	15642	Groeniger & Company	-379.38
11/15/10	15643	OnTrac	-39.00
11/15/10	15644	Personnel Concepts	-130.99
11/15/10	15645	San Benito County-Admin Office	-2,583.00
11/15/10	15646	South Valley Internet, Inc.	-17.95
11/17/10	15647	MEGAN BAILEY	-70.14
11/17/10	15648	BELLA MIA REAL ESTATE	-102.26
11/17/10	15649	CRALEEN COLVIN	-50.00
11/17/10	15650	KAREN PARA	-15.28
11/17/10	15651	RICHARD WAGONER	-125.60
11/17/10	15652	SCOTT & KIM WALKER	-1,859.87
11/17/10	15653	THOMAS & AMOR WALIZER	-86.43
11/23/10	15655	A-1 Services	-353.00
11/23/10	15656	CWEA Membership- TCP	-147.00
11/23/10	15657	EBCO Pest Control	-55.00
11/23/10	15658	Hazel Hawkins Memorial Hospital	-15.00
11/23/10	15661	Mc Kinnon Lumber Co., Inc.	-28.41
11/23/10	15662	Monterey Bay Systems	-1,818.18
11/23/10	15663	P G & E	-7,221.88
11/23/10	15664	State Board of Equalization	-1,200.00
11/23/10	15665	Toro Petroleum Corp.	-3.45
11/23/10	15666	City of Hollister-Finance Dept	-1,200.00
11/23/10	15667	CM Analytical, Inc.	-10,222.50
11/23/10	15668	Hollister-Sunnyslope W. T. A.	-36,001.12
11/23/10	15669	Postmaster	-290.50
11/29/10	15670	All Star Ready Mix, LLC	-499.35
11/29/10	15671	AT&T	-279.50
11/29/10	15672	B.W.S. Distributors, Inc.	-260.11
11/29/10	15673	Brigantino Irrigation	-93.85
11/29/10	15674	Everbank Commercial Finance, Inc.	-257.85
11/29/10	15675	Ferguson Enterprises, Inc.	-113.67
11/29/10	15676	J L Wingert Co.	-92.96
11/29/10	15677	O'Reilly Auto Parts	-4.03
11/29/10	15678	Razzolink.com	-79.90
11/29/10	15679	State Water Resources Control Board-AFRS	-2,759.00
11/29/10	15680	Toro Petroleum Corp.	-1,560.46
11/29/10	15681	Verizon Wireless	-1,206.76
11/30/10	15682	BAC (Beneficial Administration Company)	-260.52
11/30/10	15683	Ben-e-lect	-270.00
11/30/10	15684	CalPERS - Retirement	-35,354.49
11/30/10	15685	Fort Dearborn Life Insurance Co.	-207.00
11/30/10	15686	Premier Access Insurance Co.	-2,651.18
11/30/10	15687	State Comp. Insurance Fund	-5,549.87
11/30/10	15688	Sterling HSA	-61.25
11/30/10	15689	Employment Dev. Dept. (EDD) DE88 Pmts.	-9,109.65
11/30/10	15690	San Benito Bank	-21,202.46
11/30/10	15691	CalPERS - Retirement	-1,587.18
11/30/10	15692	Nationwide Retirements Solutions	-19,156.44
11/30/10	15693	Sterling HSA	-1,202.50

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
11/30/10	15694	Postmaster	-1,729.00
12/6/10	15695	Ace Hardware (Johnson Lumber Co.)	-129.47
12/6/10	15696	Ag. Commissioner San Benito Co.	-482.89
12/6/10	15697	Bartle Wells Associates	-900.00
12/6/10	15698	Brigantino Irrigation	-228.81
12/6/10	15699	CWEA Membership- TCP	-264.00
12/6/10	15700	David J Powers & Associates, Inc.	-1,261.00
12/6/10	15701	Gabilan Welding, Inc.	-8.08
12/6/10	15702	Hansen & Co., Inc.	-3,500.00
12/6/10	15703	Hollister Auto Parts, Inc.	-169.83
12/6/10	15704	Kennedy/Jenks Consultants	-8,202.58
12/6/10	15705	Mark Nicholson, Inc.	-2,669.22
12/6/10	15706	Mc Donald Landscaping	-165.00
12/6/10	15707	Mission Uniform Service	-659.21
12/6/10	15708	Noland Hamerly Etienne & Hoss	-4,388.50
12/6/10	15709	OnTrac	-50.50
12/6/10	15710	Radio Shack (Crystal T.V.)	-21.84
12/6/10	15711	Recology San Benito County	-114.27
12/6/10	15712	San Benito Bank-Medical Exp.	-500.00
12/6/10	15713	San Benito County Water District	-54,024.78
12/6/10	15714	San Benito Tire, Inc.	-1,675.29
12/6/10	15715	Southwest Membrane Operator Association	-300.00
12/6/10	15716	U.S. Bank Corporate Payment Systems	-487.09
12/6/10	15717	Wright Bros. Indust. Supply	-153.49
12/6/10	15718	Wright Bros. Welding & Sheet Metal, Inc.	-252.75
12/6/10	15719	Groeniger & Company	-235.44
12/6/10	15720	Petty Cash	-382.48
12/6/10	15721	O'Reilly Auto Parts	-22.80
12/7/10	15722	Anderson, Dawn V.	-200.00
12/7/10	15723	Nelson, Marchel V.	-100.00
12/6/10	15724	GARY ARMSTRONG	-27.08
12/6/10	15725	RACHEL & ALBERT TAMEZ	-38.32
12/6/10	15726	HOPE WHITE	-65.61
11/3/10 - 11/30/10	1346-1354	Total Disbursements - Medical Cking	-924.06
<b>Total Disbursements</b>			<b><u><u>-376,463.10</u></u></b>

**I. MANAGEMENT REPORTS:**

1. **District Counsel:** No report.
2. **District Engineer:** Engineer Girouard reported that he and Jim Filice are working on the best method of cleaning the nanofiltration pilot unit to improve performance. He also spoke about working with Kennedy/Jenks to evaluate various ways to clean microfilters, different types of microfilters, and improving operating efficiency of the microfilters. He also reported working with Jim, HDR, San Benito County Water District, and the City of Hollister to begin the pilot testing of the Actiflo-Carb pilot plant. Engineer Girouard reported that the District received a land appraisal for the 12.5-acre Campisi parcel, which is the proposed site for Well #12.
3. **Finance Manager:** Cathy Buck stated that the financial audits for Sunnyslope and the Hollister-Sunnyslope Water Treatment Agency are substantially complete and she is reviewing applications to fill the Account Technician position.
4. **General Manager:** No report.

**J. FUTURE AGENDA ITEMS:** Future agenda items include a presentation by Shawn Novack on the Water Resources Association, a tour of District facilities, and AB 1234 Ethics training workshop.

The Board set dates for the following meetings:

**Finance Committee** - December 16, 2010, 11:00 a.m.

**District Tour** - December 21, 2010, 9:00 a.m.

**Water/ Wastewater Committee** - December 28, 2010, 10:00 a.m.

**AB 1234 Ethics Training Workshop** – January 5, 2011, 4:15 p.m.

The next regular meeting of the Board is scheduled to be held Thursday, January 13, 2011.

**K. ADJOURN:** Upon motion made by Director Keck, seconded by Director Clapham, and unanimously carried, the meeting was adjourned at 7:45 p.m.

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

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