

**MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
February 17, 2015**

- A. CALL TO ORDER:** The meeting was called to order at 4:30 p.m. by President Hill, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. ROLL CALL: Present:** President Kathleen Hill; Directors Michael Alcorn, Judi Johnson, Dave Meraz, and Danny Villalon.
- C. PUBLIC COMMENT ON CLOSED SESSION MATTERS:** None.

D. CLOSED SESSION (Pursuant to Government Code Section 54957.6): At 4:31 p.m. President Hill closed the meeting to the public so the Board could discuss the following:

- 1. Public Employee Performance Review Title: General Manager

President Hill reconvened the meeting to open session at 5:18 p.m.

- E. PLEDGE OF ALLEGIANCE:** Maisie Thomas of the Sunnyslope 4-H Club led Directors, staff, and public in the Pledge of Allegiance.
- F. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION:** President Hill reported there was nothing to report at this time.
- G. APPROVAL OF AGENDA:** Upon motion made by Director Meraz seconded by Director Johnson, and carried (5-0), the agenda was approved as presented.
- 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.

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 Assistant Engineer Rob Hillebrecht.

I. CONSENT AGENDA:

- 1. Approval of Minutes – for the Regular Meeting of January 20, 2015.
- 2. Allowance of Claims – to ratify disbursements for the period from January 13, 2015 through February 9, 2015, totaling \$997,538.21, which includes \$653,811.29 for payments to vendors and for employee compensation, \$341,808.37 paid to the City of Hollister for payments collected on their customer’s sewer billings net of our fees, and \$1,918.55, for customer refunds and deductions for checks returned for insufficient funds. The last check written as of February 9, 2015 was check # 20521. The list of disbursements is as follows:

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
12/10/14	ACH 0670	Merchant Services (credit refund)	3.00

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
01/15/15	ACH 0674	EFTPS	-136.80
01/15/15	ACH 0675	RETURNED ACH (ACH Ret. 01-01)	-143.81
01/20/15	ACH 0676	RETURNED ACH (ACH Ret. 01-02)	-125.08
01/20/15	ACH 0677	RETURNED ACH (ACH Ret. 01-03)	-128.36
01/22/15	ACH 0678	RETURNED CHECK (Ck. Ret. 01-01)	-306.80
01/23/15	ACH 0679	RETURNED CHECK (Ck. Ret. 01-02)	-152.00
01/30/15	ACH 0680	EFTPS	-20,716.52
02/03/15	ACH 0681	Merchant Services	-805.39
01/15/15	DD 1277	Alcorn, Michael H	-92.35
01/15/15	DD 1278	Johnson, Judi H	-92.35
01/15/15	DD 1279	Meraz, David E	-92.35
01/15/15	DD 1280	Villalon, Daniel	-159.70
01/30/15	DD 1281	Alvarez, Abel	-5,786.01
01/30/15	DD 1282	Brill, Kelly L.	-4,868.31
01/30/15	DD 1283	Buck, Cathy L.	-6,473.21
01/30/15	DD 1284	Castro, Kevin G.	-4,852.14
01/30/15	DD 1285	Chavez, Jr., Manuel T.	-7,274.46
01/30/15	DD 1286	Eclarin, Ernesto P.	-4,931.96
01/30/15	DD 1287	Filice, James L.	-6,525.09
01/30/15	DD 1288	Hagins, Patrick M.	-4,855.96
01/30/15	DD 1289	Hillebrecht, Robert B	-3,316.74
01/30/15	DD 1290	Jackson, Patrick W.	-5,773.94
01/30/15	DD 1291	Malko, Kim A.	-2,731.23
01/30/15	DD 1292	Norman, III, Walter R.	-5,273.81
01/30/15	DD 1293	Padilla, David	-4,979.06
01/30/15	DD 1294	Porteur, Carol A.	-3,903.82
01/30/15	DD 1295	Quick, Troy E	-3,509.79
01/30/15	DD 1296	Ridenhour, Donald G	-9,796.40
01/30/15	DD 1297	Watson, Scott A.	-5,723.63
01/30/15	DD 1298	Zavala, Anabel G.	-4,201.72
01/15/15	20425	Hill, Kathleen A	-72.35
01/14/15	20426	HealthSmart Benefit Solutions, Inc. (VSP)	-309.91
01/15/15	20427	Tres Pinos Country Store	-1,680.75
01/19/15	20428	A-1 Services	-403.00
01/19/15	20429	All Star Ready Mix, LLC	-282.65
01/19/15	20430	American Water Works Assoc. CA-NV Section	-80.00
01/19/15	20431	B.W.S. Distributors, Inc.	-396.96
01/19/15	20432	City of Hollister-Finance Dept	-338,729.62
01/19/15	20433	CM Analytical, Inc.	-3,315.00
01/19/15	20434	De Lay & Laredo	-2,258.50
01/19/15	20435	Don Chapin Co. Inc., The	-9,220.00
01/19/15	20436	EBCO Pest Control	-55.00
01/19/15	20437	First Trust Alarm Company	-80.00
01/19/15	20438	Itron, Inc.	-759.44
01/19/15	20439	MBS Business Systems	-1,601.64
01/19/15	20440	Mc Master-Carr	-876.77
01/19/15	20441	NH3 Service Company	-971.75
01/19/15	20442	Shape Products (Paullus Drive Liftstation Pump)	-7,358.47
01/19/15	20443	State Water Resources Control Board-OOC	-90.00
01/19/15	20444	USA BlueBook	-141.01
01/19/15	20445	State Water Resources Control Board-OOC	-170.00
01/19/15	20446	State Water Resources Control Board-OOC	-180.00
01/19/15	20447	State Water Resources Control Board-OOC	-600.00
01/22/15	20448	Postmaster	-255.28
01/26/15	20449	Porteur, Carol A.	-188.11
01/26/15	20450	CM Analytical, Inc.	-3,240.00
01/26/15	20451	Mark Nicholson, Inc.	-19,148.82
01/26/15	20452	McGilloway, Ray, Brown & Kaufman	-3,000.00
01/26/15	20453	Petty Cash	-31.07
01/26/15	20454	San Benito County-Environ. Health Div.	-6,078.00

Date	Num	Name	Amount
01/26/15	20455	Southwest Valve, LLC	-638.94
01/26/15	20456	Thomson West	-477.40
01/26/15	20457	Toro Petroleum Corp.	-8,624.29
01/30/15	20458	Employment Dev. Dept. (EDD) DE88 Pmts.	-7,897.68
01/30/15	20459	CalPERS - Retirement	-1,036.00
01/30/15	20460	CalPERS - Retirement	-554.00
01/30/15	20461	Nationwide Retirements Solutions	-12,365.73
01/30/15	20462	CalPERS - Health Insurance	-15,608.01
01/30/15	20463	CalPERS - Retirement	-28,397.15
01/30/15	20464	Dearborn National Life Insurance Company	-272.00
01/30/15	20465	Premier Access Insurance Co.	-2,871.11
01/30/15	20466	HealthSmart Benefit Solutions, Inc. (VSP)	-336.93
01/30/15	20467	Postmaster	-1,930.24
01/30/15	20468	Petty Cash	-27.94
02/03/15	20469	Ace Hardware (Johnson Lumber Co.)	-727.95
02/03/15	20470	All Star Ready Mix, LLC	-374.33
02/03/15	20471	AT&T	-370.68
02/03/15	20472	Auto Tech Service Center, Inc.	-83.95
02/03/15	20473	B.W.S. Distributors, Inc.	-255.92
02/03/15	20474	Brenntag Pacific, Inc.	-9,413.03
02/03/15	20475	Brigantino Irrigation	-320.94
02/03/15	20476	CM Analytical, Inc.	-910.00
02/03/15	20477	Corix Water Products	-2,298.96
02/03/15	20478	Everbank Commercial Finance, Inc.	-224.60
02/03/15	20479	Green Rubber Kennedy Ag	-1,290.47
02/03/15	20480	Greenwood Chevrolet	-1,140.00
02/03/15	20481	Mc Master-Carr	-766.97
02/03/15	20482	Mid Valley Supply	-867.43
02/03/15	20483	Mission Uniform Service	-718.20
02/03/15	20484	O'Reilly Auto Parts	-255.69
02/03/15	20485	Palace Business Solutions	-75.62
02/03/15	20486	Postal Graphics (was Post Net)	-178.53
02/03/15	20487	Razzolink.com	-209.85
02/03/15	20488	Recology San Benito County	-126.03
02/03/15	20489	Sage Software, Inc.	-884.00
02/03/15	20490	Staples Advantage	-90.84
02/03/15	20491	Stargazer Packaging	-473.49
02/03/15	20492	State Water Resources Control Board-OOC	-480.00
02/03/15	20493	Toro Petroleum Corp.	-4,695.75
02/03/15	20494	U.S. Bank Corporate Payment Systems	-508.39
02/03/15	20495	Verizon Wireless	-384.24
02/03/15	20496	Wright Bros. Indust. Supply	-5.05
02/03/15	20497	City of Hollister-Finance Dept	-341,808.37
02/09/15	20498	JOSH ARMER	-17.77
02/09/15	20499	DAVID BENDER	-97.64
02/09/15	20500	DANITA BRIGANTINO	-28.56
02/09/15	20501	PEARL COTTI	-47.81
02/09/15	20502	DEL CURTO BROS CONST.	-421.14
02/09/15	20503	DON CHAPIN CO	-360.82
02/09/15	20504	BRANDON GOMES	-88.76
02/09/15	20505	Ace Hardware (Johnson Lumber Co.)	-39.11
02/09/15	20506	AT&T	-165.35
02/09/15	20507	B.W.S. Distributors, Inc.	-378.20
02/09/15	20508	CM Analytical, Inc.	-1,720.00
02/09/15	20509	Don Chapin Co. Inc., The	-150.00
02/09/15	20510	Gabilan Welding, Inc.	-158.67
02/09/15	20511	Hach Company	-578.30
02/09/15	20512	National Meter & Automation, Inc.	-4,996.60
02/09/15	20513	New SV Media, Inc. (was So Valley Newsp)	-134.30
02/09/15	20514	NH3 Service Company	-1,679.00

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
02/09/15	20515	O'Reilly Auto Parts	-10.52
02/09/15	20516	P G & E	-14,426.76
02/09/15	20517	Palace Business Solutions	-123.17
02/09/15	20518	PAPA	-80.00
02/09/15	20519	San Benito County Water District	-299.75
02/09/15	20520	South Valley Internet, Inc.	-20.45
02/09/15	20521	Toro Petroleum Corp.	-1,238.94
Total Disbursements			<u>-997,538.21</u>

3. Approve the Calgon Carbon Corporation Carbon Supply Agreement for the Purchase of Replacement Carbon Filter Media for the Lessalt Water Treatment Plant.

Director Johnson asked questions on several checks on the Allowance of Claims and was satisfied with the response from Cathy Buck, and there was some discussion amongst the Board regarding the purchase of replacement Carbon Filter Media for the Lessalt Water Treatment Plant.

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

J. NEW BUSINESS:

1. **CONSIDER APPROVAL OF ORDINANCE NO. 79 ADOPTING A NEW DISTRICT CODE AND SUPERCEDING AND REPLACING THE PRIOR DISTRICT CODE:** General Manager/Secretary Ridenhour stated that the Policy and Procedures Committee have been re-writing and completely reformatting the District's Code for the past few years. Much of the Code has remained the same, but has been organized in different sections and has been re-written so it is in plain language and easier to interpret. The proposed District Code has been shortened and chapters that were duplicated in multiple Titles have been consolidated in Title 1.

Mr. Ridenhour stated that significant changes to the proposed District Code include the removal of all fees and rates out of the Code and they will be adopted separately by Resolution or Ordinance. Other revisions include a more extensive definition section, noticing, rules and procedures, and appeals chapters have all been moved to Title 1 from other Titles. Revisions to Title 2 include the addition of the Wastewater Department, Board meeting dates and procedures, meeting noticing, and updates to job titles and duties. Revisions to Title 3 include the removal of the chapter detailing subdivision requirements which are covered by District policies. Revisions to Title 4 are similar to Title 3.

The propsoed District Code has been shortened and the Code will now be updated by District staff rather than the Municipal Code Corporation as has been done in the past. This will expedite updates and save the District the costs of the updates.

Upon motion made by Director Meraz, seconded by Director Johnson, and unanimously carried (5-0) the Board approved Ordinance No. 79 adopting a new District Code and superceding and replacing the prior District Code.

2. **CONSIDER APPROVAL OF RESOLUTION NO. 536 AMENDING DISTRICT FEES AND CHARGES FOR SERVICES:** General Manager/Secretary Ridenhour explained that the Policy and Procedures Committee have been re-writing and completely

reformatting the District's Code for the past few years and part of that revision is a recommendation to remove fees and charges from the District Code and have them adopted by resolution. This recommendation will make revision of various fees and charges less time consuming and will eliminate the need to update the District Code for minor fee and charge revisions.

General Manager/Secretary Ridenhour stated that the purpose of updating fees and charges is to ensure the District is collecting the true cost of providing a service to its customers. The update includes an increase in customer deposits for water and sewer service to ensure the District recovers unpaid water and sewer bills for customers who stop paying and move out of the District. The update also increases meter set fees for new water customers and this is increasing due to the increase the District pays for water meters. General Manager/ Secretary stated that the last change to the meter installation charge was done in 2007, and the cost of the meters has increased over the years.

The Policy and Procedures Committee reviewed the fees and charges proposed at their meeting on February 6, 2015. Significant discussion was had regarding the increase in customer deposits for water and wastewater service. Mr. Ridenhour stated that based on a recommendation of the Committee, staff will be bringing to the Board, authorization to waive the deposit if a customer agrees to a credit check review and their credit score warrants waiving the deposit. The details of this deposit policy will be brought to the Board for consideration in the next few months. General Manager/Secretary Ridenhour stated that staff and the Committee recommend the Board consider the proposed resolution and update in fees now rather than wait for the deposit policy to be in place. Director Johnson recommended reducing the deposit collected if the customer were to sign up for auto pay, at which General Manager/Secretary Ridenhour stated the policy will be brought back to the Board once the policy is complete.

Upon motion made by Director Villalon, seconded by Director Alcorn, and unanimously carried (5-0) the Board approved Resolution No. 536 amending District fees and charges for services.

- 3. CONSIDER AWARDED THE RIDGEMARK AND FAIRVIEW TANKS PROJECT TO PASO ROBLES TANK AND AUTHORIZING THE PRESIDENT TO EXECUTE THE CONTRACT AND CONTINGENCY FOR AN AMOUNT NOT TO EXCEED \$1,176,428:** Assistant Engineer Rob Hillebrecht explained that Sunnyslope County Water District owns and operates three steel potable water storage tanks in two locations in order to properly serve its drinking water customers. Two tanks (0.5 and 1 million gallon capacities) are in the Ridgemark Area and one (3.5 million gallon capacity) is located east of Fairview Road. These tanks are key in managing the District's water distribution system. As such, it is important that they are properly maintained to prolong their service life. Painting and cathodic protection is the main maintenance component for steel tanks and is critical for extending their useful life and for ensuring the quality of the water inside the tanks.

Mr. Hillebrecht stated that in May of 2014, the Board approved for the District to contract with Harper & Associates Engineering, Inc. ("HAE") for Coating and Cathodic Engineering Services for the Ridgemark Tanks for an amount not to exceed \$80,490. In September 2014, the Board approved a contract amendment to include an additional \$42,200 for the same services on the Fairview Tank. Thus the contract is for a total amount not to exceed \$122,690. Under this contract, HAE would inspect and evaluate the condition of the tanks, prepare plans and specifications for rehabilitating the tanks, assist with the bidding process, and provide inspection services during the tank rehabilitation.

HAE evaluated the current tank conditions and reported its findings to the District in June of 2014. Each tank needs repainting, cathodic protection, and safety improvements to meet the current standards and regulations. Assistant Engineer Hillebrecht said that the urgency and scope of the work required varies between the three tanks, but it was determined to be more cost effective for all three to be rehabilitated as one project. By including the Fairview tank in the project, it minimizes mobilization expenses and attracts larger and more competent bidders. HAE then assisted District Staff in forming plans and specifications to put the project out to bid. The Ridgemark and Fairview Tanks Project went out to bid on January 6, 2015.

Mr. Hillebrecht explained that a Mandatory pre-bid meeting for all interested bidders was held at the District Office on January 23, 2015. At this meeting, the project specifications and the District's expectations were discussed. Contractors also toured the two tank sites to evaluate the local site conditions.

Bids for this project were due to the District Office at 2:00 p.m. on February 6, 2015 for the Opening of Bids. The Engineer's Estimate provided by HAE is \$1,065,300. The following project bids were submitted with their respective bid amounts:

Paso Robles Tank	\$1,069,480.00
Blasco Inc.	\$1,197,456.20
Advanced Industrial Services	\$1,277,555.00
Crosno Construction Inc.	\$1,583,000.00

District Staff in cooperation with HAE have reviewed each bid submitted to ensure that it meets and adheres to the District specifications and requirements.

This contract is to authorize Paso Robles Tank to perform the necessary coating and cathodic protection work specified in the bid plans and specs for both the Ridgemark and Fairview Potable Water Storage Tanks.

District Staff and HAE recommends awarding Paso Robles Tank the contract, as the lowest bidder, at \$1,069,480, and authorize a contingency of 10% or \$106,948 for a total amount of \$1,176,428. Director Johnson inquired about the experience the company has and Mr. Hillebrecht stated that Paso Robles Tank has over fifteen years of experience constructing, repairing, and recoating steel water storage tanks. Headquartered out of Paso Robles, CA, the company has conducted steel tank construction, coating, and renovation services throughout all of California and parts of Nevada. They have successfully completed projects with price ranges from under \$200,000 to over \$6,000,000 on time and on budget. Director Alcorn inquired about the life cycle of the work to be performed and General Manager/Secretary Ridenhour stated that there is a standard one-year guarantee and added that the cathodic protection would not be activated until about a year after the work has been completed, at which point the tank would be tested to make sure the work completed was satisfactory.

President Hill pointed out that the District's former address was used in the contract under section 27 – Public Contract Provisions, No. 2, stating the office was located at 3416 Airline Highway and the correct address is now 3570 Airline Highway. Mr. Ridenhour acknowledged and stated that the address would be corrected in the final agreement signed by the contractor.

Upon motion made by Director Johnson, seconded by Director Alcorn, and unanimously carried (5-0) the Board approved awarding the Ridgemark and Fairview Tanks project to

Paso Robles Tank and authorized the President to execute the contract, with the correction noted above, and including the 10% contingency, for an amount not to exceed \$1,176,428.

- 4. CONSIDER AUTHORIZING THE PRESIDENT TO EXECUTE THE CALIFORNIA WATER/WASTEWATER AGENCY RESPONSE NETWORK (WARN) MUTUAL ASSISTANCE AGREEMENT:** General Manager/Secretary Ridenhour explained that more than 20 years ago a group of water and wastewater utilities developed a standard mutual assistance agreement for providing emergency aid in times of disaster to one another. The list of participating utilities has grown over the years and the agreement has been updated. The last version of the agreement was drafted in 2007. The mutual assistance agreement has been drafted to allow agencies to recover their costs of providing mutual aid and is in a form that allows the agency requesting aid to recover their emergency response costs from the State and Federal Governments if a disaster is declared.

General Manager/Secretary Ridenhour stated that Sunnyslope County Water District could benefit from becoming a signatory to this mutual assistance agreement. If the Hollister area was to suffer damage from an earthquake or other natural disaster, the District could reach out to other agencies for assistance with water main repairs or other failures to equipment. The agreement does not obligate an agency to respond or provide assistance, and it is unlikely the District would be in a position to provide assistance to others due to the size of the District and limited resources. Mr. Ridenhour explained that the District has provided assistance on occasion to other local agencies and has received assistance from time to time, but in a large disaster event, it is likely other local agencies will have the same damage and response needs as the District. This agreement would allow the District to reach out to agencies that are further away and less likely to have suffered from the same disaster event. Mr. Ridenhour stated that having this agreement in place also shortens the response time for bringing other agencies in for assistance since the terms and conditions of providing assistance are already in place.

General Manager/Secretary Ridenhour stated that the Policy and Procedures Committee has reviewed this agreement and recommends the District become a signatory. The District's legal counsel has reviewed the agreement and believes there are sufficient liability protections in the agreement to protect the District.

Upon motion made by Director Johnson, seconded by Director Villalon, and unanimously carried (5-0) the Board authorized the President to execute the California Water/Wastewater Agency Response Network (WARN) Mutual Assistance Agreement.

- 5. RECEIVE AND DISCUSS SIX-MONTH BUDGET REVIEW OF DISTRICT'S FINANCIAL RESULTS FROM JULY 1, 2014 THRU DECEMBER 31, 2014:** Finance & Human Resource Manager Cathy Buck presented a detailed review and comparison of the first six months of actual financial results to the District's 2014/2015 budget to the Board in her staff report and asked if any Board member had any questions or comments. President Hill inquired about the current situations the District is facing with the Blower failure at the Ridgemark Wastewater Treatment Plant and now the leak up near the Ridgemark Tanks and how that may affect the budget. Ms. Buck responded that she did not foresee this to be a problem, due to some of the expense being capitalized and additional savings in other areas, those would help to offset the additional expense.
- 6. AUTHORIZE THE GENERAL MANAGER TO LEASE AND PURCHASE MATERIALS AND EQUIPMENT TO REPLACE EQUIPMENT DOWN FOR REPAIR AT THE RIDGEMARK WASTEWATER TREATMENT PLANT FOR**

AN AMOUNT NOT TO EXCEED \$60,000: General Manager/Secretary Ridenhour explained that at the January 20, 2015 Board Meeting, he updated the Board on an equipment failure and emergency response at the Ridgemark Wastewater Treatment Plant. In November 2014, one of the air blowers that are essential to operating the Ridgemark Wastewater Treatment Plant failed and in early January 2015, the other two air blowers failed. The January failures left the District without the equipment necessary to operate the plant. Rental equipment was brought in and the District has been able to operate and stay within the District's State waste discharge requirements for the treatment plant.

General Manager/Secretary Ridenhour stated that on February 5th the air blower that failed in November was returned and reinstalled at the plant. District staff, with the assistance of the consulting engineering firm RMC, the designer of the treatment equipment (Sanitaire), and the supplier of the air blowers (Atlas Copco), have put the repaired air blower back in service and have modified our operating procedures to minimize the risk of the repaired blower failing again. The current plan is to have Atlas Copco complete the repairs of the two remaining air blowers and return them to service with a modified operation plan to extend their life and minimized the chance of premature failures. Staff is continuing to have discussions with RMC, Sanitaire, and Atlas Copco about replacing the air blowers with equipment better suited to the District's operational needs or to permanently modify the District's operation plan to extend the life of the current blowers. Mr. Ridenhour stated that the difficulty with the replacement option is negotiating who shares in the cost of the new units, the cost and changes are still in the early stages of being negotiated.

Mr. Ridenhour reported that to date the District has spent approximately \$22,600 for fuel for the air compressor, other pipe, fittings, and parts; and expects invoices for rental equipment and the variable frequency drive to operate the blower, to bring the total expense to approximately \$58,000.

In January the Board authorized an expenditure of \$45,000. An additional \$15,000 will be needed when the District receives the remaining bills for equipment rental and parts. Mr. Ridenhour is continuing to negotiate and discuss the rental air compressor expense and hopes to be successful at reducing the cost.

General Manager/Secretary Ridenhour has discussed with the District's legal counsel and shared documents regarding warranties and contracts, and at this time, it has been decided that it may be premature to file any claims or to get attorneys involved because of the cooperation the District is receiving.

Upon motion made by Director Meraz, seconded by Director Villalon, and unanimously carried (5-0) the Board authorized the General Manager to lease and purchase materials and equipment to replace equipment down for repair at the Ridgemark Wastewater Treatment Plant for an amount not to exceed \$60,000.

- 7. AUTHORIZE THE GENERAL MANAGER TO EMPLOY SPECIALTY CONSTRUCTION INC. BY FORCE ACCOUNT TO REPAIR A WATER MAIN LEAK FOR AN AMOUNT NOT TO EXCEED \$50,000:** General Manager/Secretary Ridenhour explained that on February 12, 2015 a water main leak was discovered adjacent to the District's Ridgemark Water Tanks between cell tower buildings where the District's water main leaves the site. The leak is on a 12" diameter pipe and is approximately 10 feet deep. Due to several utility conflicts, the City of Hollister was brought in with their Vac Truck to excavate the leak safely and to avoid the possibility of hitting the cell tower facilities. The leak has been located and the site has been stabilized.

Plans are being made to fix the leak during a planned shut down on February 18th. The pipeline cannot be isolated and the leak shut off without taking the District's water tanks out of service. Due to the depth of the leak and its location, Staff has contacted Specialty Construction for assistance because they have the appropriate equipment in the area and have the expertise to make the repair.

Mr. Ridenhour explained that Speciality Construction staff visited the site on February 13th and is planning to further assist the District with the excavation and repair of the water main. The pipeline is being fully exposed to make sure the proper parts can be assembled to minimize the shut down time of the tanks. The leak is small enough and the pressure on the pipe is low which allows the District to carefully plan the shutdown. Repair of the leak will require substantial shoring and a larger backhoe or excavator which the District does not own. Due to the importance of minimizing the pipeline shut down, the equipment needs to make the repair, the site constraints, and the safety of working in such a deep excavation, Staff believes Specialty Construction is the appropriate contractor to perform the work.

General Manager/Secretary Ridenhour stated that the work will be performed on a force account basis (time and material) because the extent of the work is unknown until the pipeline can be fully exposed. Staff has requested Speciality Construction install a 12" gate valve and approximately 30 feet of new water main to minimize fittings in the deep portion of the excavation and allow the water main to be isolated in the future without shutting down the water tanks.

Upon motion made by Director Johnson, seconded by Director Alcorn, and unanimously carried (5-0) the Board authorized the General Manager to employ Speciality Construction Inc. by force account to repair a water main leak for an amount not to exceed \$50,000.

K. BOARD COMMITTEE and STATUS REPORTS

- 1. Governance Committee:** General Manager/Secretary Ridenhour reported that the committee met on February 10th and discussed the completion of the construction of the Lessalt Upgrade and they are working on a few punch list items. The project's change orders came in just under 2% which is very good. The Design of the West Hills Water Treatment Plant was discussed and Mr. Ridenhour reported that the project should be going out to bid in April with the hopes of starting construction in July. He also reported that twelve acres of property will be purchased from a mitigation bank to replace the habitat area that will be disturbed by the construction.
- 2. Water/Wastewater Committee:** General Manager/Secretary Ridenhour reported no meeting held.
- 3. Finance Committee:** Director Meraz reported no meeting held.
- 4. Policy and Procedure Committee:** General Manager/Secretary Ridenhour reported the committee met on February 6th and discussed the fee resolution, and the Mutual Aid Agreement which are both on the agenda, and the District's policy for the sale of surplus equipment.
- 5. Personnel Committee:** Director Meraz reported no meeting held.
- 6. Water Resources Association of San Benito County (WRA):** Director Johnson reported a meeting was held on February 5th. The committee set its meeting calendar for

2015, which will meet at 4:00 p.m. on the first Thursday of April, June, August, October, and December. Shawn Novack reported year to date data for toilet rebates (17); washer rebates (24); water softener rebates (18); turf removal program (30 participants and 26,000 square feet of turf removed as of 1/22/15); and outreach (printing/advertising/meetings/demonstrations -18). Director Johnson noted that annual total projected water savings as a result of the various programs detailed above is 203,536,778 gallons. Upcoming events for the WRA are irrigation and plantings at M&M Garden Mart on Spring Grove Road. Director Johnson also noted that she has been named the WRA Chair for 2015.

- 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 a narrative report on the Operations Summary (thru January 31, 2015), Statement of Income (thru December 31, 2014), and Investment Summary (thru January 31, 2015). Ms. Buck reported that the second water rate increase was implemented on December 21, 2014, which is reflected in the January bills. Director Johnson asked Ms. Buck to explain to the Board what the process is for customers that pay their bill and have the funds denied by the bank. Ms. Buck explained that the customer's account is debited for the returned amount plus a \$25 returned item fee and then staff prepares a door hanger which advises the customer of the amount due by a particular date, otherwise the water service will be disconnected.

The District's Investment Summary report reflects the total cash balance as of January 31, 2015 of \$8,330,919.42, which includes seven-months earned interest totaling \$9,749.64. Ms. Buck reported that on February 5th, the District transferred \$300,000 from the operating checking account into the District's LAIF investment account. She also noted that in a couple of months, the first payment will be due on the new loan that replaced the revenue bond.

Water/Wastewater Superintendent Jim Filice reviewed the January 2015, Maintenance Staff Report and reported there have been a couple of emergency water leaks, one at 1000A Hillcrest Road, and the other at 1351 Scenic Circle, where in both cases the saddle had blown off the water main. Mr. Filice stated that with this type of leak, they need to be repaired immediately.

Review of the Meter Reading Report for the period December 15, 2014 to January 15, 2015, reflects the intertie meter data indicates the City received 33.0% of Lessalt water, while the District received 67.0%. Mr. Filice stated that the City of Hollister is paying back a little more water owed to the District.

Water/Wastewater Superintendent Jim Filice reviewed the groundwater level report and noted the wells are creeping up.

- 8. Active Tasks Update:** General Manager/Secretary Ridenhour reported that in the next few weeks, staff will be delivering door hangers to Sunnyslope sewer customers to encourage them to stop using water softeners now that they are receiving water from the Lessalt Water Treatment Plant. Mr. Ridenhour reported that Verizon Wireless has received approvals from the County to proceed with their antenna at the District's Fairview Tank site. The District will receive power, all weather access, and clean title to an access easement if the District proceeds with the lease. General Manager/Secretary Ridenhour explained that the Urban Water Management Plan is mandated by the State and is required to be updated every five years. Shawn Novack from WRA is currently requesting proposals.

L. BOARD and STAFF REPORTS

- 1. Directors:** Director Johnson reported that she and five Sunnyslope County Water District Representatives attended the Sexual Harassment training, which is mandatory for Directors and Upper Management, at the Marina Coast Water Department. The session was presented by a representative hired by our Joint Powers Insurance, and was well attended. Ms. Johnson stated that this interactive workshop consisted in large part of staged contacts with audience participation encouraged. Reflection and exchange of ideas and comments was stimulating and provided for in-depth thought on promoting and maintaining pleasant, non-threatening amiable, interpersonal relationships in the work setting. Director Johnson stated that she also attended the afternoon session on Documentation, which gave clear directions for using written notes for applauding good performance or preparing for disciplinary action, as warranted. Ms. Johnson commented that she felt it was good use of her time and the District’s fund to provide this occasion for learning, and she appreciated the opportunity.
- 2. District Counsel:** Attorney Heidi Quinn reported that she and David Laredo will be providing an AB 1234 Ethics Training for the District on Tuesday, February 24th. Ms. Quinn also reported that Alec Lorca will be the attorney for the District’s next Board meeting in March, as she will be on vacation.
- 3. Finance and Human Resource Manager:** No report.
- 4. General Manager:** General Manager/Secretary Ridenhour reported that just prior to tonight’s Board meeting he received a notification of an ACWA Region 5 event that will be held on March 22 & 23 in San Jose and he will be putting this on the Agenda for the February 24th Special Board Meeting. Director Villalon expressed interest in attending and stated that the program will be held just down the street from where he works and invited any of the Board members that may be interested in attending, to park at his establishment as his guest. Director Villalon also suggested for those opting for overnight stay, to possibly staying at the Hyatt which is right down the street from the Marriott which is the suggested overnight stay per ACWA, and is much less expensive.

M. FUTURE AGENDA ITEMS: A new policy for customer Deposits, new truck replacement, and declare a vehicle surplus.

N. ADJOURNMENT: Upon motion made by Director Johnson, seconded by Director Alcorn, and unanimously carried (5-0), the meeting was adjourned at 6:57 p.m.

APPROVED BY THE BOARD: s/ Kathleen A. Hill

Kathleen A. Hill, President

RESPECTFULLY SUBMITTED: s/ Donald G. Ridenhour

Donald G. Ridenhour, Secretary