

**MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
JANUARY 24, 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, and Honor Spencer.
- C. PLEDGE OF ALLEGIANCE:** Attorney Heidi Quinn led Directors, staff, and public in the Pledge of Allegiance.
- D. APPROVAL OF AGENDA:** Upon motion made by Director Alcorn, seconded by Director Rodriguez, and carried 4-0, 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 Heidi Quinn, Executive Assistant/Stenographer Carol Porteur, Finance and Human Resource 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 December 20, 2016.
2. Allowance of Claims– to ratify disbursements for the period from December 13, 2016 through January 9, 2017, totaling \$871,601.59, which includes \$522,629.56 for payments to vendors and employees, \$345,591.21 paid to the City of Hollister for amounts collected from their customer’s for City sewer billings net of our fees, and \$3,380.82 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of January 9, 2017 was check #22687.

The list of disbursements is as follows:

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
12/15/16	ACH 0895	EFTPS	-117.80
12/13/16	ACH 0896	RETURNED CHECK (Ret Ck 12-01)	-143.20
12/16/16	ACH 0898	RETURNED ACH (Ret ACH 12-01)	-126.48
12/16/16	ACH 0899	RETURNED ACH (Ret ACH 12-02)	-146.17
12/19/16	ACH 0900	RETURNED ACH (Ret ACH 12-03 thru 12-09)	-1,066.86
12/21/16	ACH 0901	Merchant Services	-0.07
12/30/16	ACH 0902	EFTPS	-23,448.22
01/03/17	ACH 0903	Merchant Services	-874.30
01/03/17	ACH 0904	Merchant Services	-858.62
12/15/16	DD 1809	Alcorn, Michael H.	-92.35
12/15/16	DD 1810	Hill, Kathleen A	-92.35
12/15/16	DD 1811	Johnson, Judi H.	-183.70
12/15/16	DD 1812	Meraz, David E	-92.35
12/15/16	DD 1813	Villalon, Daniel	-67.35

Date	Number	Name	Amount
12/30/16	DD 1814	Alvarez, Abel	-5,269.60
12/30/16	DD 1815	Brill, Kelly L.	-4,585.39
12/30/16	DD 1816	Buck, Cathy L.	-6,634.06
12/30/16	DD 1817	Castro, Kevin G.	-4,592.63
12/30/16	DD 1818	Chavez, Jr., Manuel T.	-6,601.90
12/30/16	DD 1819	Eclarin, Ernesto P.	-5,845.56
12/30/16	DD 1820	Filice, James L.	-7,103.83
12/30/16	DD 1821	Hagins, Patrick M.	-4,839.25
12/30/16	DD 1822	Hillebrecht, Robert B.	-3,808.70
12/30/16	DD 1823	Jackson, Patrick W.	-5,506.41
12/30/16	DD 1824	Malko, Kim A.	-3,340.03
12/30/16	DD 1825	Norman, III, Walter R.	-5,404.64
12/30/16	DD 1826	Padilla, David	-5,550.72
12/30/16	DD 1827	Porteur, Carol A.	-4,212.56
12/30/16	DD 1828	Quick, Troy E.	-3,947.76
12/30/16	DD 1829	Ridenhour, Donald G.	-10,168.65
12/30/16	DD 1830	Sanchez, Ricardo A.	-4,160.12
12/30/16	DD 1831	Watson, Scott A.	-5,432.65
12/30/16	DD 1832	Zavala, Anabel G.	-4,728.22
12/19/16	22607	VICTOR & CHRISTINE TORREZ	-142.50
12/19/16	22608	A-1 Services	-403.00
12/19/16	22609	Bracewell Engineering, Inc.	-126.00
12/19/16	22610	Calgon Carbon Corporation	-82,556.00
12/19/16	22611	CM Analytical, Inc.	-3,077.50
12/19/16	22612	De Lay & Laredo	-2,100.00
12/19/16	22613	Evoqua Water Technologies LLC (Siemens)	-3,840.90
12/19/16	22614	First Trust Alarm Company	-431.00
12/19/16	22615	MBS Business Systems	-1,034.43
12/19/16	22616	McGilloway, Ray, Brown & Kaufman	-875.00
12/19/16	22617	Postal Graphics (was Post Net)	-17.47
12/19/16	22618	Radio Shack (Crystal T.V.)	-37.96
12/19/16	22619	San Benito Cnty Mosq Abatement Prgm	-123.42
12/19/16	22620	State Water Resources Control Board-DWOCF	-525.00
12/27/16	22621	Stonecreek Properties	-73,957.24
12/27/16	22622	Auto Tech Service Center, Inc.	-388.59
12/27/16	22623	Brigantino Irrigation	-255.37
12/27/16	22624	Mid Valley Supply	-318.20
12/27/16	22625	San Benito Tire, Inc.	-298.88
12/30/16	22626	Employment Dev. Dept. (EDD) DE88 Pmts.	-8,561.97
12/30/16	22627	CalPERS - Retirement	-1,036.00
12/30/16	22628	CalPERS - Retirement	-1,019.53
12/30/16	22629	Nationwide Retirements Solutions	-23,919.59
12/30/16	22630	United Way of Santa Cruz	-120.00
12/30/16	22631	ACWA/JPIA	-11,141.88
12/30/16	22632	CalPERS - Health Insurance	-16,898.98
12/30/16	22633	CalPERS - Retirement	-24,587.67
12/30/16	22634	Dearborn National Life Insurance Company	-304.00
12/30/16	22635	Void	0.00
12/30/16	22636	Premier Access Insurance Co.	-3,085.67
12/30/16	22637	MATTHEW & CRYSTAL CARRINGTON	-77.47
12/30/16	22638	VICTOR & JENNETTE DI MASCIO	-32.88
12/30/16	22639	SHARON DONNEL	-124.01
12/30/16	22640	CLAUDIA GONZALEZ	-46.69

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
12/30/16	22641	JOHN C HERREN	-5.03
12/30/16	22642	BRANDON & SARAH KEYARTS	-14.13
12/30/16	22643	WILLIAM & IRENE PIECH	-191.83
12/30/16	22644	LYNN SHIPPLEY	-95.82
12/30/16	22645	MATTHEW & RICHARD SONGREN	-178.95
12/30/16	22646	TWO PILLARAS ENTERPRISES LLC.,	-651.38
12/30/16	22647	EMMA VELTRI	-337.42
12/22/16	22648	Postmaster	-219.19
12/30/16	22649	Toro Petroleum Corp.	-1,131.73
12/30/16	22650	City of Hollister-Finance Dept	-345,591.21
12/30/16	22651	Postmaster	-1,929.44
01/03/17	22652	Eclarin, Ernesto P.	-108.74
01/03/17	22653	Ace Hardware (Johnson Lumber Co.)	-362.60
01/03/17	22654	All Star Ready Mix, LLC	-520.70
01/03/17	22655	Animal Damage Management	-185.00
01/03/17	22656	AT&T	-531.13
01/03/17	22657	Corix Water Products	-2,907.13
01/03/17	22658	Evoqua Water Technologies LLC (Siemens)	-439.43
01/03/17	22659	Hach Company	-418.78
01/03/17	22660	Itron, Inc.	-1,071.31
01/03/17	22661	Konica Minolta Premier Finance	-417.72
01/03/17	22662	Mc Master-Carr	-420.99
01/03/17	22663	Mission Uniform Service	-728.51
01/03/17	22664	O'Reilly Auto Parts	-42.52
01/03/17	22665	P G & E	-15,356.50
01/03/17	22666	Palace Business Solutions	-1,070.10
01/03/17	22667	Performance Agriculture	-1,219.00
01/03/17	22668	Razzolink.com	-132.90
01/03/17	22669	San Benito County Water District	-100,509.11
01/03/17	22670	Verizon Wireless	-273.96
01/03/17	22671	Wright Bros. Indust. Supply	-5.88
01/09/17	22672	Ace Hardware (Johnson Lumber Co.)	-24.02
01/09/17	22673	All Star Ready Mix, LLC	-86.40
01/09/17	22674	AT&T	-224.31
01/09/17	22675	Bianchi Kasavan & Pope, LLP	-28.00
01/09/17	22676	City of Hollister-Finance Dept	-24.80
01/09/17	22677	CM Analytical, Inc.	-1,370.00
01/09/17	22678	Credit Consulting Services, Inc.	-19.50
01/09/17	22679	Employee Relations, Inc.	-226.00
01/09/17	22680	Ferguson Enterprises, Inc.	-241.00
01/09/17	22681	Hach Company	-234.55
01/09/17	22682	HealthSmart Benefit Solutions, Inc. (VSP)	-329.62
01/09/17	22683	Recology San Benito County	-128.51
01/09/17	22684	San Benito County Water District	-150.25
01/09/17	22685	South Valley Internet, Inc.	-20.45
01/09/17	22686	State Water Resources Control Board-OOC	-170.00
01/09/17	22687	U.S. Bank Corporate Payment Systems	-748.74
Total Disbursements			<u>-871,601.59</u>

President Johnson inquired about check # 22620 payable to State Water Resources Control Board-DWOCP in the amount of \$525.00 and check # 22686 payable to State Water Resources Control Board-OOC in the amount of \$170.00 which Cathy Buck explained are for maintenance staff's licensing examination and renewal fees.

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

G. NEW BUSINESS:

1. **CONSIDER APPROVAL AND AUTHORIZE THE GENERAL MANAGER TO PURCHASE A REPLACEMENT PUMP FOR THE PAULLUS DRIVE SEWER LIFT STATION FOR APPROXIMATELY \$7,000:** General Manager/Secretary Ridenhour explained that one of the three sewer lift station pumps recently failed at the Paullus Drive Sewer Lift Station and it was replaced with a spare pump that the District keeps in inventory. Staff had the failed pump inspected and the cost of repairing it exceeds the cost of purchasing a new pump. It is important that the spare pump from inventory be replaced due to the lead time of six to eight weeks required to order and receive a new replacement pump. Sewer lift station pumps often fail every three to five years due to the extreme environment they operate in, so this failure is a routine maintenance item. General Manager/Secretary Ridenhour stated that staff is requesting authorization to purchase a new pump to place in inventory for future use.

Upon motion made by Director Rodriguez, seconded by Director Alcorn, and carried 4-0, the Board approved and authorized the General Manager to purchase a replacement pump for the Paullus Drive sewer lift station for approximately \$7,000.

2. **TAKE APPROPRIATE ACTION AND DIRECT THE GENERAL MANAGER TO PREPARE AND PUBLISH THE NECESSARY NOTICES TO APPOINT OR CALL A SPECIAL ELECTION TO FILL A VACANCY ON THE BOARD OF DIRECTORS CREATED BY THE RESIGNATION OF DIRECTOR VILLALON:** General Manager/Secretary Ridenhour stated that Director Danny Villalon submitted a letter resigning from the District Board of Directors effective January 5, 2017.

Mr. Ridenhour explained that California Government Code Section 1780 and Board Policy No. 7080 specify the method the Board of Directors may take to fill the vacancy on the Board. The remaining Board of Directors may fill the vacancy either by appointment or by calling an election within 60 days. If a decision is not made within the timeframe, The Board's power to appoint or set an election is transferred to the County Board of Supervisors, which for 90 days then has the authority to appoint a person or order the District to call an election. Should the Board of Supervisors fail to act within that timeframe, the District Board is required to set an election.

If the Board decides to fill the vacancy by appointment, the appointment must be made by March 5, 2017. The person shall hold office until November 2018. The Board may review applications and invite those candidates a majority of the Board determine are the most qualified, or may invite all of the candidates for an interview before the Board at its February meeting. The Board may then consider the interviewed candidates and vote to determine if a majority of the Board can agree on a selected replacement candidate. The District must notice the vacancy in three locations within the District at least 15 days prior to the appointment. Staff would prepare the notices and an application for prospective Board members. This is the process the Board followed in the fall of 2011 to fill a vacancy created by a Board Member resignation.

General Manager/Secretary Ridenhour explained that if the Board decides to fill the vacancy by election, the process gets more complicated and staff would work with the

County Elections Office to make sure we followed the appropriate codes and regulations. The election could be held on the next established election date that is 130 days or more after the date the District calls the election, which is November, 2018. The Board may also call a special election, which could happen in the next several months but comes at a significant expense. The County Elections Office provided an estimate of \$50,000 recently to a small school district that they thought might be similar to Sunnyslope County Water District. There are other specific requirements outlined in California Government Code Section 1780.

General Manager/Secretary Ridenhour stated that staff is requesting direction from the Board on how they wish to fill the vacancy and authorization to proceed with the process selected. Notice of the vacancy has been sent to the County elections official as required.

Discussion was held on the various options of notification of the vacancy on the Board and to solicit and invite candidates to apply. The Board decided to publish and post the required notices as well as each Board member reaching out to individuals to encourage them to apply. The Board will review applications received and invite candidates to the February board meeting for interviews, with the possibility of filling the vacancy at that meeting.

Upon motion made by Director Rodriguez, seconded by Director Spencer, and carried 4-0 the Board gave direction to the General Manager to prepare and publish the necessary notices to appoint and fill a vacancy on the Board of Directors created by the resignation of Director Villalon, at the February board meeting.

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 reported that she has prepared her monthly written narrative report on the Operations Summary (thru December 31, 2016), Statement of Income (thru November 30, 2016), and Investment Summary (thru December 31, 2016).

Cathy Buck pointed out that the total of sixty-six water capacity fees received this fiscal year is significantly more than was received last fiscal year. She asked if the Board had any questions on any of the three reports she has prepared, which there were none.

The District's Investment Summary report reflects the total cash balance as of December 31, 2016 of \$8,926,548.51, which includes posted interest totaling

\$18,275.10 (six months interest on the CDs, and second and third quarter's interest on the LAIF investment that posted in July and October).

Water/Wastewater Superintendent Jim Filice reported on the December 31, 2016 Maintenance Staff Report, and asked the Board if there were any questions. President Johnson inquired about a few items on the Maintenance Staff Report, which Mr. Filice gave thorough explanations.

In review of the Meter Reading Report for the period of November 16, 2016 to December 14, 2016, the intertie meter data indicates the City received 19.4 % of Lessalt Water Treatment Plant water, while the District received 80.6 %. Mr. Filice stated that the City has paid the District back a little more water.

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

8. **Active Tasks Update:** General Manager Secretary Ridenhour reported that the District's conservation numbers are above the State's mandates and were 28.1% in December.

Mr. Ridenhour reported that staff conducted interviews for our Water Treatment Plant Operator positions and have promoted 4 staff members (Manny Chavez, Ernie Eclarin, Scott Watson, & Troy Quick). The District has hired one new person, Billy Boltz who comes from San Jose Water Company, lives here in Hollister, and starts today. Staff completed interviews for the Electrician/Instrument Technician and have decided to under fill with a Water/Wastewater Maintenance staff person, giving us two positions to fill. The application period closes on March 3, 2017 at 3 p.m.

General Manager/Secretary Ridenhour reported that LAFCO has raised concerns about the agreement with the City of Hollister allowing the City to provide sewer service within Sunnyslope's service area. Staff is working with the City, a developer affected by LAFCO's concerns, and the District's Counsel to resolve the issue.

The County is interested in an internet service antenna on the District's property above the farm labor camp, which staff is reviewing. If a suitable location can be found, an agreement may be brought to the Board for consideration.

The Policy & Procedures Committee and District Counsel have completed the update and review of the Employee Handbook. Staff is now planning to share with all District employees before taking the updated Handbook to the Board for approval.

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:** No report.
5. **General Manager:** General Manager/Secretary Ridenhour reported that the Board is due for the Ethics & Brown Act training as well as Sexual Harassment Training, but he will hold off scheduling until the Board vacancy position is filled.

Mr. Ridenhour reported that The State Water Resources Control Board's Division of Drinking Water, in collaboration with the California Department of Education, has taken the initiative to begin testing drinking water in schools (K-12) for lead. Mr. Ridenhour stated that he will begin reaching out to the schools within the District to offer the testing service to them.

General Manager/Secretary Ridenhour reported that the San Benito County Business Council will be holding a forum sometime in April and he will be one of the speakers again this year.

J. FUTURE AGENDA ITEMS: Future agenda items include: six month budget review; consider appointment of a Board member to fill Director Villalon's remaining term; and annual evaluation of the General Manager in closed session.

K. ADJOURNMENT: Upon motion by Director Spencer, President Johnson adjourned the meeting at 6:20 p.m.

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

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