

**MINUTES  
BOARD OF DIRECTORS  
SUNNYSLOPE COUNTY WATER DISTRICT  
Regular Meeting  
July 8, 2010**

**A. CALL TO ORDER:** The meeting was called to order at 4:45 p.m. by President Doug Keck at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

**B. ROLL CALL: Directors present:** President Doug Keck and Directors Steve Hailstone, Dawn Anderson, and Dave Meraz. **Absent:** Director Marchel Nelson.

**OTHERS PRESENT:** Secretary Bryan Yamaoka, District Engineer Ken Girouard, Finance & Personnel Manager Cathy Buck, Water/Wastewater Superintendent Jim Filice, and Executive Assistant Carol Porteur. **Absent:** District Counsel Lloyd Lowrey.

**C. EXECUTIVE SESSION:** The meeting was adjourned to executive session.

1. **Conference with Real Property Negotiators. Property:** Purchase of lands adjacent to proposed Groundwater Treatment Plant & Evaporation Ponds. APNs 0202800430, 0202800410, 0202800420, 0202800220, 0211100270. SSCWD Negotiators: Yamaoka, Girouard. Property Owners: Brigantino, Brigantino, Ordiniza 11, Campisi, Campisi. Under negotiation: Price and terms of payment.

**D. RECONVENE OPEN MEETING AND REPORT ACTIONS TAKEN BY BOARD IN EXECUTIVE SESSION:** President Keck convened the meeting in open session at 5:20 p.m. He reported on the following Executive Session agenda item: No action taken, instructions given to negotiator.

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

**F. READING OF MINUTES:** Upon motion made by Director Hailstone, seconded by Director Anderson, and unanimously carried 4-0 (Director Nelson absent), the minutes of the June 10, 2010 regular meeting and the June 28, 2010 special meeting were approved as presented.

**G. OLD BUSINESS:** None.

**H. NEW BUSINESS:**

1. **SOLAR PHOTOVOLTAIC POWER SUPPLY FOR MUNICIPAL WELLS - Review, Discuss, and Take Appropriate Action on Request by Staff to CERTIFY ENVIRONMENTAL REVIEW and enter into a SOLAR PHOTOVOLTAIC POWER PURCHASE AGREEMENT with a third party, including a LAND LEASE AGREEMENT with Hollister School District regarding APN's 020-028-044, 020-028-048, and 020-320-021:** Engineer Girouard reported on Hollister School District's agreement with Clear Spot. Clear Spot also is scheduled to provide power to the Hollister wastewater treatment plant at a cost of 17.251 cents per Kwh. As a result of changes in the California Solar Initiative rebates, Clear Spot has increased its price above the 17.251 cents per Kwh which it is charging the City's wastewater treatment plant. District staff has contacted several other power providers. Other power providers believe they would be interested in the project and would appreciate the opportunity to submit public proposals for the project.

Engineer Girouard commented that the Board could request formal proposals. However, he believes it is in the District's best interest to enter into an agreement with one provider soon in order to obtain the 30% federal grant which expires at the end of 2010. It is imperative that this project is partially constructed by the end of 2010 in order to capture the 30% federal grant. Delays in the RFP process would delay implementation of solar photovoltaic power purchase beyond the end of the year.

In response to Director Hailstone's questions, Engineer Girouard explained that a purchase agreement with Clearspot would provide 220,000 to 230,000 Kwh per year, which is slightly more than half the power the District uses. The District's bill from PG&E would be minimal as it would be only for standby costs for being tied into their power delivery system. There would be an additional cost of \$5,000 to \$7,000 per year for purchase (at 5% interest over 30 years) of the property needed for the solar system from Hollister School District. Engineer Girouard stated that Clear Spot's inflation rate is 4%, which is the same or lower than PG&E's projected inflation rate of 4 to 5.5%.

In response to Director Anderson's questions, Engineer Girouard explained that the District would not be required to purchase equipment. The length of the agreement could be 7, 15, or 20 years with a buyout option at the end of the term. He noted that solar cells degrade at approximately 0.5% per year and have a life of 25 years or more.

Engineer Girouard requested authorization for staff to proceed with a request for proposals with power providers for an energy service contract for well #2, and an agreement with the Hollister School District for lease or purchase of the Ladd Lane School property next to the District's well #2, and preparation of the required CEQA document.

Upon motion made by Director Meraz, seconded by Director Anderson, and carried unanimously 4-0 (Director Nelson absent), the Board authorized staff to proceed with circulating of a request for proposals to secure a power purchase agreement for well #2, to enter into a property purchase or lease with the Hollister School District to acquire the necessary property, and preparation of CEQA documents, to be presented for Board approval.

#### **I. BOARD AND STAFF COMMITTEE STATUS REPORTS:**

1. **Governance Committee:** President Keck reported that a subcommittee of the Governance Committee is analyzing potential locations for the District's proposed surface water treatment plant; the subcommittee will meet on July 21; and that he anticipates that a site selection will be determined by September.
2. **Water Resources Association of San Benito County:** Director Anderson commented on a presentation made by Shawn Novack for a group of people that was very well received. Secretary Yamaoka reported that the WRA's next meeting will be held at the SBCWD meeting room on July 22, at 6:00 p.m.
3. **Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** No report.
4. **Water Related Projects:** No report.
5. **Lessalt Water Treatment Plant:** Engineer Girouard reported on continued pilot testing of technologies for mitigating the presence of disinfection byproducts, as well as a back-washing process that uses coagulants. He is meeting with HDR and Kennedy Jenks on July 21st. He also commented on a visit to the Santa Teresa treatment plant to obtain THM samples, and research on use of chlorine dioxide for oxidizing iron and manganese which results lowers levels of trihalomethanes.
6. **State Revolving Fund and Stimulus Package Financing:** Secretary Yamaoka reported that the State has resolved its EIR questions regarding the District's wastewater project application. After a 30-day review for public comments, the State Board will consider approval of the District's application for funding at its August meeting. The District is requesting a \$12.5 million loan; however, the State has determined the District's cash flow does not support that amount and will recommend \$11.5 million loan for construction of the project. Doug Dove thinks the State did not consider revenue from the District's sewer rate increase which goes into effect in December. Doug Dove will follow up on that.

7. **District Operation Summary, Statement of Income, and Investment Summary; Lessalt Water Treatment Agency Investment and Disbursement Summaries; District Maintenance Report; Meter Reading Report; and Groundwater Level Measurements:** Cathy Buck reported that water sales are up; normally May and June water revenues are more than \$300,000, but revenues this year did not reach that level until this month. Past due amounts are staying within a normal range of 11%. Ms. Buck reviewed the Operation Summary report of water metered and source, including an estimated water loss this month of 644 thousand gallons, which is 0.5%. The new data on water losses is available as a result of getting the intertie meters with the City of Hollister working. It will take time to develop an average water loss trend.

Ms. Buck noted the Statement of Income includes April; the May and June updates will be presented at the Board's next meeting. She reported that there were no connection fees received in May and June, and one was received this month. During review of the Investment Summary, it was noted that the total fund balance is \$1,919,247.26 and includes \$691.18 interest earned in June, which is included in 12-month year-to-date interest earned of \$22,213.61.

The Board also reviewed financial reports for the Lessalt Water Treatment Agency, including the June 11 through July 8, 2010 Disbursement Summary totaling \$136,031.03. The Investment Summary ending June 30 reflects total funds of \$1,608,093.60, which includes \$5,282.95 fiscal year-to-date (4 months) interest earned.

During review of the June Maintenance Report, Jim Filice responded to questions from Board members about details regarding various items in the report. Secretary Yamaoka pointed out a 3-year comparison chart on page 3 of the Maintenance Report, which reflects an increase in work orders and water shut-offs this year.

Jim Filice reviewed the Meter Reading Report for the period May 19 to June 17, 2010, and compared a report using the past calculation methodology (water pumped less water metered), which shows the City would owe the District 126 million gallons; the new report, using data obtained from the intertie meters indicates the actual amount owed is 124 million gallons.

During his report, Mr. Filice reviewed the distribution of LESSALT water pumped, noting that last month the District received 60% and the City received 40%. He commented that the proportionate shares vary from month to month and projected that the proportionate share received by each agency will even out over the course of the year. In response to questions from the Board, Mr. Filice reported that a copy of the monthly LESSALT pumping and distribution report is sent to the City.

During review of the groundwater level report, Mr. Filice commented that well levels are trending downward as expected during the summer period of the year.

- J. ALLOWANCE OF CLAIMS:** The Board reviewed the District's Disbursement Summary report for the period June 11 through July 8, 2010, totaling \$421,890.52, which includes: \$417,733.91 for employee compensation and accounts payable; \$3,587.68 for customer refunds and returned checks; and \$568.93 for employee medical benefit plan reimbursements. The last check written as of July 8, 2010 was check #15205.

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
06/11/10	ACH 0005	RETURNED CHECK	-216.95
06/11/10	ACH 0006	RETURNED CHECK	-283.61
06/14/10	ACH 0007	RETURNED CHECK	-269.93
06/17/10	ACH 0008	RETURNED CHECK	-133.19
06/17/10	ACH 0009	RETURNED CHECK	-228.63
06/17/10	ACH 0010	RETURNED CHECK	-130.00
06/17/10	ACH 0011	RETURNED CHECK	-184.00
06/17/10	ACH 0012	RETURNED ACH	-365.48
06/25/10	ACH 0013	RETURNED CHECK	-123.75
06/30/10	ACH 0014	RETURNED CHECK	-70.66
6/25/10	ACH 0015	San Benito Bank	-242.21

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Amount</b>
6/30/10	DD 0005	Alvarez, Abel	-3,646.96
6/30/10	DD 0006	Brill, Kelly L.	-4,137.69
6/30/10	DD 0007	Buck, Cathy L.	-6,253.25
6/30/10	DD 0008	Castro, Kevin G.	-3,542.20
6/30/10	DD 0009	Chavez, Jr., Manuel T.	-5,405.07
6/30/10	DD 0010	Eclarin, Ernesto P.	-4,603.09
6/30/10	DD 0011	Estrada, Thomas A.	-3,769.40
6/30/10	DD 0012	Filice, James L.	-7,497.23
6/30/10	DD 0013	Girouard, Kenneth R.	-6,299.30
6/30/10	DD 0014	Hagins, Patrick M.	-4,184.70
6/30/10	DD 0015	Imperatrice, Patrick L.	-5,171.83
6/30/10	DD 0016	Jackson, Patrick W.	-6,131.74
6/30/10	DD 0017	Norman, III, Walter R.	-5,511.90
6/30/10	DD 0018	Padilla, David	-4,634.89
6/30/10	DD 0019	Porteur, Carol A.	-3,463.81
6/30/10	DD 0020	Robson, Ann	-244.48
6/30/10	DD 0021	Watson, Scott A.	-3,432.52
6/30/10	DD 0022	Yamaoka, Bryan M.	-8,277.02
6/30/10	DD 0023	Zavala, Anabel G.	-3,914.21
7/6/10	DD 0024	Hailstone, Stephen B. (Dir. Dep.)	-300.00
7/6/10	DD 0025	Keck, Doug (Dir. Dep.)	-300.00
7/6/10	DD 0026	Meraz, David (Dir. Dep.)	-300.00
7/6/10	DD 0027	Wiener-Smolka, Laura S. (Dir. Dep.)	-200.00
6/11/10	15104	First American Title	-1,687.00
6/15/10	15105	All Star Ready Mix, LLC	-508.14
6/15/10	15106	AutomationDirect.com	-114.00
6/15/10	15107	Bianchi Kasavan & Pope, LLP	-785.86
6/15/10	15108	CM Analytical, Inc.	-17,762.50
6/15/10	15109	CSK Auto / Pro Shop	-50.30
6/15/10	15110	Employee Relations, Inc.	-181.00
6/15/10	15111	Hawkins Traffic Safety Supply Inc	-198.94
6/15/10	15112	Hollister-Sunnyslope W. T. A.	-47,836.01
6/15/10	15113	Mc Donald Landscaping	-510.00
6/15/10	15114	Noland Hamerly Etienne & Hoss	-4,530.54
6/15/10	15115	P G & E	-25,606.40
6/15/10	15116	San Benito Bank - \$1M Loan Pmts	-42,548.63
6/15/10	15117	South Valley Internet, Inc.	-17.95
6/21/10	15118	A-1 Services	-353.00
6/21/10	15119	B.W.S. Distributors, Inc.	-281.64
6/21/10	15120	Ben Caputo Printing	-3,353.33
6/21/10	15121	Corbin Willits Systems, Inc. (MOM's)	-5,356.20
6/21/10	15122	First Trust Alarm Company	-290.00
6/21/10	15123	Gabilan Welding, Inc.	-19.49
6/21/10	15124	Hollister Safe & Lock Inc.	-35.34
6/21/10	15125	Judy's Gifts & Awards	-11.58
6/21/10	15126	Monterey Bay Systems	-449.85
6/21/10	15127	Radio Shack (Crystal T.V.)	-32.74
6/21/10	15128	RMC Water and Environment	-1,392.41
6/21/10	15129	Toro Petroleum Corp.	-1,108.88
6/30/10	15130	Employment Dev. Dept. (EDD) DE88 Pmts.	-9,368.40
6/30/10	15131	San Benito Bank	-19,521.94
6/30/10	15132	CalPERS - Retirement	-1,587.18
6/30/10	15133	Nationwide Retirements Solutions	-9,676.37
6/30/10	15134	Sterling HSA	-2,702.50
6/30/10	15135	BAC (Beneficial Administration Company)	-260.52
6/30/10	15136	Ben-e-lect	-270.00
6/30/10	15137	CalPERS - Retirement	-34,516.92
6/30/10	15138	Fort Dearborn Life Insurance Co.	-207.00
6/30/10	15139	Premier Access Insurance Co.	-2,651.18
6/30/10	15140	State Comp. Insurance Fund	-3,821.54
6/30/10	15141	Sterling HSA	-61.25
6/23/10	15142	Postmaster	-286.36

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Amount</b>
06/23/10	15143	ANDERSON HOMES	0.00
06/23/10	15144	ANDERSON HOMES	-115.75
06/23/10	15145	EDWARD D ARRATIA	-44.15
06/23/10	15146	SEAN BURKE	-14.48
06/23/10	15147	SHANNE CARVALHO	-103.55
06/23/10	15148	TAMATHA COOK/B ERICKSON	-255.59
06/23/10	15149	ALICIA DIAZ	-59.08
06/23/10	15150	MARIANO GARCIA	-12.12
06/23/10	15151	H & M PROPERTY MANAGEMENT	-113.75
06/23/10	15152	HUIYI LUAN	-85.05
06/23/10	15153	DANA PERSIJN	-89.56
06/23/10	15154	LYDIA RODARTE	-32.87
06/23/10	15155	D. ST. MARIA/M. GRAGEDA	-40.71
06/23/10	15156	LORENA TEXEIRA	-87.36
06/23/10	15157	KYONG A. YUN	-42.94
06/23/10	15158	WORTHING CAPITAL	-92.18
06/23/10	15159	WORTHING CAPITAL	-50.76
06/23/10	15160	DAVE WRIGHT	-11.76
6/28/10	15161	AT&T	-281.04
6/28/10	15162	EBCO Pest Control	-55.00
6/28/10	15163	Electrical Distributors Co.	-98.48
6/28/10	15164	Hollister Auto Parts, Inc.	-34.94
6/28/10	15165	Itron, Inc.	-765.82
6/28/10	15166	Noland Hamerly Etienne & Hoss	-1,277.40
6/28/10	15167	Palace Art & Office Supply	-740.72
6/28/10	15168	Postmaster	-1,719.16
6/28/10	15169	Razzolink.com	-90.77
6/28/10	15170	Sierra Chemical Co.	-1,109.88
6/28/10	15171	Tygris Vendor Finance Inc.	-257.85
6/28/10	15172	Verizon Wireless	-135.38
6/30/10	15173	P G & E	-5,301.18
6/30/10	15174	Calif. Special Districts Association	-450.00
6/30/10	15175	City of Hollister-Finance Dept	-2,400.00
6/30/10	15176	David J Powers & Associates, Inc.	-2,288.50
6/30/10	15177	Enterprise Electrical Services	-2,296.98
6/30/10	15178	Ferguson Enterprises, Inc.	-91.90
6/30/10	15179	Greenwood Chevrolet	-17.60
6/30/10	15180	Hazel Hawkins Memorial Hospital	-108.00
6/30/10	15181	Mission Uniform Service	-662.21
6/30/10	15182	Noland Hamerly Etienne & Hoss	-2,376.50
6/30/10	15183	OnTrac	-88.00
6/30/10	15184	Personnel Concepts	-51.54
6/30/10	15185	Recology San Benito County	-116.94
6/30/10	15186	Wright Bros. Indust. Supply	-106.23
7/1/10	15187	Petty Cash	-21.17
7/1/10	15188	Postmaster	-61.00
7/2/10	15189	MARK & DAWN EASON	-329.82
7/6/10	15190	Ace Hardware (Johnson Lumber Co.)	0.00
7/6/10	15191	All Star Ready Mix, LLC	-472.18
7/6/10	15192	Anderson, Dawn V.	-300.00
7/6/10	15193	Calvista Insurance Agency Inc.	-16,300.00
7/6/10	15194	CM Analytical, Inc.	-4,702.50
7/6/10	15195	Gabilan Welding, Inc.	-88.16
7/6/10	15196	Hach Company	-219.16
7/6/10	15197	Kennedy/Jenks Consultants	-15,553.42
7/6/10	15198	Mc Donald Landscaping	-165.00
7/6/10	15199	Nelson, Marchel	-200.00
7/6/10	15200	P G & E	-23,697.83
7/6/10	15201	San Benito County Water District	-396.25
7/6/10	15202	U.S. Bank Corporate Payment Systems	-729.27
7/6/10	15203	Groeniger & Company	-224.62
7/7/10	15204	Ace Hardware (Johnson Lumber Co.)	-89.01

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
7/7/10	15205	Ace Hardware (Johnson Lumber Co.)	-175.93
6/04/10 -6/30/10	1313-1316	Total Disbursements - Medical Cking	-568.93
<b>Total Disbursements</b>			<b><u>-421,890.52</u></b>

Upon motion made by Director Meraz, seconded by Director Anderson, and unanimously carried 4-0 (Director Nelson absent), the Board approved the disbursements as presented.

**K. DISTRICT COUNSEL REPORT:** No report.

**L. DISTRICT ENGINEER REPORT:** No report.

**M. GENERAL MANAGER REPORT:** Secretary Yamaoka reviewed information resulting from the request of employees that the District to look into switching the health insurance provider from Anthem Blue Cross to CalPERS.

Secretary Yamaoka reviewed an analysis showing that the 2011 Anthem Blue Cross annual cost, including a projected 18% increase, will be \$163,112. The CalPERS 2011 premium cost is projected at \$126,998.28.

During review of the report, Secretary Yamaoka pointed out that switching insurance providers would result in a \$36,114 savings to the District in 2011; however, six employees would be paying up to 62% more for dependent health insurance, \$543 per month. Currently the District provides employees with an allowance of \$500 per month for dependent insurance.

Ms. Buck noted that the employee out of pocket cost is not evenly distributed among employees; that affected employees would be paying amounts ranging from \$3500 to \$6500 per year and that approximately \$10,000 of the annual cost to affected employees would be borne by only two employees.

During review of the report, Ms. Buck noted that CalPERS rates are tiered by age bracket and that for persons 40 or older CalPERS rates are less expensive than Anthem Blue Cross. She pointed out that the District's employees are aging and that, over time, the CalPERS option has become the best provider in terms of cost savings.

Secretary Yamaoka and Cathy Buck presented a cost analysis of several options in terms of the percentage of total premium cost covered by the District. Secretary Yamaoka recommended that this matter be referred to the District's Finance Committee for study. The Board concurred and requested that the Finance Committee analyze the report and come back with recommendations.

**N. FUTURE AGENDA ITEMS:** The next regular meeting of the Board is scheduled to be held Thursday, August 12, 2010.

**O. ADJOURN:** Upon motion made by Director Meraz, seconded by Director Hailstone, and unanimously carried 4-0 (Director Nelson absent), the meeting was adjourned at 6:50 p.m.

**APPROVED BY THE BOARD:** s/Douglas C. Keck  
Douglas C. Keck, President

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