

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
June 20, 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, Ann Ross (absent, arrived during agenda item C.), and Honor Spencer. Robert J. Rodriguez II (absent, arrived during agenda item G.1.)
- C. PLEDGE OF ALLEGIANCE:** Michael Laredo, Attorney with DeLay & Laredo Attorneys at Law, led Directors, staff, and public in the Pledge of Allegiance. Director Ross arrived at 5:17 p.m.
- D. APPROVAL OF AGENDA:** Upon motion made by Director Alcorn, seconded by Director Spencer, and carried 4-0 (Director Rodriguez absent), 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 May 16, 2017.
2. Allowance of Claims– to ratify disbursements for the period from May 9, 2017 through June 12, 2017, totaling \$955,588.94, which includes \$607,842.63 for payments to vendors and employees, \$345,680.59 paid to the City of Hollister for amounts collected from their customer's for City sewer billings net of our fees, and \$2,065.72 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of June 12, 2017 was check #23186.

The list of disbursements is as follows:

| <u>Date</u> | <u>Number</u> | <u>Name</u> | <u>Amount</u> |
|-------------|---------------|------------------------------------------|---------------|
| 05/10/17 | ACH 0947 | RETURNED CHECK (Ret. Ck 05-03) | -136.37 |
| 05/11/17 | ACH 0948 | RETURNED CHECK (Ret. Ck 05-04) | -159.73 |
| 05/15/17 | ACH 0949 | EFTPS | -124.40 |
| 05/15/17 | ACH 0950 | RETURNED ACH (Ret. ACH 05-01 thru 05-02) | -297.56 |
| 05/16/17 | ACH 0951 | RETURNED ACH (Ret. ACH 05-03) | -196.98 |
| 05/17/17 | ACH 0952 | RETURNED ACH (Ret. ACH 05-04 thru 05-06) | -373.02 |
| 05/31/17 | ACH 0953 | Employment Dev. Dept. (EDD) DE88 Pmts. | -9,932.33 |
| 05/31/17 | ACH 0954 | EFTPS | -26,510.22 |
| 06/05/17 | ACH 0955 | Merchant Services | -881.29 |
| 06/05/17 | ACH 0956 | Merchant Services | -950.81 |
| 05/15/17 | DD 1930 | Alcorn, Michael H. | -184.70 |
| 05/15/17 | DD 1931 | Johnson, Judi H. | -183.70 |
| 05/15/17 | DD 1932 | Rodriguez, II, Robert J. | -184.70 |
| 05/15/17 | DD 1933 | Ross, Ann C. | -183.70 |
| 05/31/17 | DD 1934 | Alvarez, Abel | -5,040.99 |
| 05/31/17 | DD 1935 | Boltz, William K | -5,119.13 |
| 05/31/17 | DD 1936 | Brill, Kelly L. | -4,490.64 |
| 05/31/17 | DD 1937 | Buck, Cathy L. | -6,536.33 |
| 05/31/17 | DD 1938 | Burbank, Jr., Dee J. | -4,178.53 |
| 05/31/17 | DD 1939 | Castro, Kevin G. | -4,462.51 |
| 05/31/17 | DD 1940 | Chavez, Jr., Manuel T. | -6,710.95 |
| 05/31/17 | DD 1941 | Eclarin, Ernesto P. | -6,199.00 |
| 05/31/17 | DD 1942 | Filice, James L. | -7,010.51 |
| 05/31/17 | DD 1943 | Hagins, Patrick M. | -4,340.56 |
| 05/31/17 | DD 1944 | Hernandez, Bazilio | -4,920.96 |
| 05/31/17 | DD 1945 | Hillebrecht, Robert B. | -3,829.48 |
| 05/31/17 | DD 1946 | Jackson, Patrick W. | -5,502.53 |
| 05/31/17 | DD 1947 | Malko, Kim A. | -3,326.90 |
| 05/31/17 | DD 1948 | Norman, III, Walter R. | -5,831.92 |
| 05/31/17 | DD 1949 | Padilla, David | -5,317.34 |
| 05/31/17 | DD 1950 | Porteur, Carol A. | -4,191.63 |
| 05/31/17 | DD 1951 | Quick, Troy E. | -5,063.27 |
| 05/31/17 | DD 1952 | Ridenhour, Donald G. | -10,152.70 |
| 05/31/17 | DD 1953 | Sanchez, Ricardo A. | -3,963.70 |
| 05/31/17 | DD 1954 | Watson, Scott A. | -6,068.16 |
| 05/31/17 | DD 1955 | Zavala, Anabel G. | -4,514.97 |
| 05/15/17 | 23072 | All Star Ready Mix, LLC | -1,040.29 |
| 05/15/17 | 23073 | B.W.S. Distributors, Inc. | -637.16 |
| 05/15/17 | 23074 | Bianchi Kasavan & Pope, LLP | -465.00 |
| 05/15/17 | 23075 | Bracewell Engineering, Inc. | -126.00 |
| 05/15/17 | 23076 | Calif. Clean Energy LLC | -2,575.55 |
| 05/15/17 | 23077 | Central Ag Supply LLC | -673.42 |
| 05/15/17 | 23078 | City of Hollister-Finance Dept | -345,680.59 |
| 05/15/17 | 23079 | EBCO Pest Control | -60.00 |

| Date | Number | Name | Amount |
|-------------|---------------|-------------------------------------------|---------------|
| 05/15/17 | 23080 | Evoqua Water Technologies LLC (Siemens) | -17,160.55 |
| 05/15/17 | 23081 | First Trust Alarm Company | -120.00 |
| 05/15/17 | 23082 | Hach Company | -443.51 |
| 05/15/17 | 23083 | Melissa Data Corp. | -1,916.89 |
| 05/15/17 | 23084 | P G & E | -14,170.22 |
| 05/15/17 | 23085 | Pinnacle Agriculture | -1,857.36 |
| 05/15/17 | 23086 | Quinn Company | -4,358.36 |
| 05/15/17 | 23087 | Recology San Benito County | -128.51 |
| 05/15/17 | 23088 | Shape, Inc. | -8,418.07 |
| 05/15/17 | 23089 | Silke Communications, Inc. | -3,266.75 |
| 05/15/17 | 23090 | South Valley Internet, Inc. | -20.45 |
| 05/22/17 | 23091 | Eclarin, Ernesto P. | -41.26 |
| 05/22/17 | 23092 | CRYSTAL L BRENNAN | -152.83 |
| 05/22/17 | 23093 | KAREN COSLETT DDS | -95.32 |
| 05/22/17 | 23094 | STEVE & BEVERLY FARO | -20.29 |
| 05/22/17 | 23095 | MARISELA LOPEZ & FRANCISCO MORALES | -31.00 |
| 05/22/17 | 23096 | DEBRA & ANTONE PICCHETTI | -156.04 |
| 05/22/17 | 23097 | A-1 Services | -403.00 |
| 05/22/17 | 23098 | Auto Tech Service Center, Inc. | -367.68 |
| 05/22/17 | 23099 | Calgon Carbon Corporation | -41,257.88 |
| 05/22/17 | 23100 | De Lay & Laredo | -2,100.00 |
| 05/22/17 | 23101 | Hach Company | -445.28 |
| 05/22/17 | 23102 | Hollister Safe & Lock Inc. | -41.65 |
| 05/22/17 | 23103 | Independent Business Forms, Inc. | -166.20 |
| 05/22/17 | 23104 | Interstate Battery System of San Jose Inc | -3,293.96 |
| 05/22/17 | 23105 | Mark Nicholson, Inc. | -9,545.05 |
| 05/22/17 | 23106 | Pinnacle Agriculture | -587.20 |
| 05/22/17 | 23107 | San Benito County Water District | -188.75 |
| 05/22/17 | 23108 | State Water Resources Control Board-DWOC | -70.00 |
| 05/22/17 | 23109 | State Water Resources Control Board-OOC | -170.00 |
| 05/22/17 | 23110 | San Benito County Water District | -103,598.44 |
| 05/22/17 | 23111 | San Benito County Water District | -25,905.13 |
| 05/24/17 | 23112 | Postmaster | -182.11 |
| 05/30/17 | 23113 | Ace Hardware (Johnson Lumber Co.) | -585.74 |
| 05/30/17 | 23114 | American Water Works Association (AWWA) | -1,968.00 |
| 05/30/17 | 23115 | Brigantino Irrigation | -226.49 |
| 05/30/17 | 23116 | Central Ag Supply LLC | -51.37 |
| 05/30/17 | 23117 | CM Analytical, Inc. | -9,538.75 |
| 05/30/17 | 23118 | Container Consulting Service, Inc. | -472.39 |
| 05/30/17 | 23119 | Corix Water Products | -182.38 |
| 05/30/17 | 23120 | Emerson Process Mgmt-Rosemount Analytical | -485.48 |
| 05/30/17 | 23121 | Konica Minolta Premier Finance | -412.91 |
| 05/30/17 | 23122 | Mc Master-Carr | -506.44 |
| 05/30/17 | 23123 | Power Equipment Co. | -4.29 |

| <u>Date</u> | <u>Number</u> | <u>Name</u> | <u>Amount</u> |
|-------------|---------------|-------------------------------------------|---------------|
| 05/30/17 | 23124 | San Benito Tire, Inc. | -100.00 |
| 05/30/17 | 23125 | State Water Resources Control Board-DWOCP | -65.00 |
| 05/30/17 | 23126 | Toro Petroleum Corp. | -2,385.37 |
| 05/30/17 | 23127 | Verizon Wireless | -291.65 |
| 05/31/17 | 23128 | CalPERS - Retirement | -1,036.00 |
| 05/31/17 | 23129 | CalPERS - Retirement | -1,865.71 |
| 05/31/17 | 23130 | Nationwide Retirements Solutions | -18,071.64 |
| 05/31/17 | 23131 | CalPERS - Health Insurance | -17,228.15 |
| 05/31/17 | 23132 | CalPERS - Retirement | -27,182.05 |
| 05/31/17 | 23133 | Dearborn National Life Insurance Company | -384.00 |
| 05/31/17 | 23134 | HealthSmart Benefit Solutions, Inc. (VSP) | -307.90 |
| 05/31/17 | 23135 | Premier Access Insurance Co. | -3,085.67 |
| 05/31/17 | 23136 | Postmaster | -1,933.58 |
| 05/30/17 | 23137 | Hertz Car Exchange | -17,118.66 |
| 05/31/17 | 23138 | Petty Cash | -68.22 |
| 06/05/17 | 23139 | UPC Santa Ana Hollister, LLC | -22,768.80 |
| 06/05/17 | 23140 | Hagins, Patrick M. | -130.79 |
| 06/05/17 | 23141 | LUPE BUENO | -5.74 |
| 06/05/17 | 23142 | PHONG V NGU | -32.95 |
| 06/05/17 | 23143 | WILLIAM H THOMAS | -261.70 |
| 06/05/17 | 23144 | Ace Hardware (Johnson Lumber Co.) | -82.85 |
| 06/05/17 | 23145 | AT&T | -285.12 |
| 06/05/17 | 23146 | B.W.S. Distributors, Inc. | -373.11 |
| 06/05/17 | 23147 | Brenntag Pacific, Inc. | -21,536.49 |
| 06/05/17 | 23148 | Central Ag Supply LLC | -294.94 |
| 06/05/17 | 23149 | City of Hollister-Finance Dept | -26.80 |
| 06/05/17 | 23150 | Coast Counties Glass | -45.00 |
| 06/05/17 | 23151 | Corix Water Products | -982.29 |
| 06/05/17 | 23152 | Gabilan Welding, Inc. | -6.44 |
| 06/05/17 | 23153 | Gold Coast Glass | -354.93 |
| 06/05/17 | 23154 | Harbor Freight Tools | -500.00 |
| 06/05/17 | 23155 | Hollister Auto Parts, Inc. | -21.21 |
| 06/05/17 | 23156 | Hollister Paint Co. | -104.66 |
| 06/05/17 | 23157 | Mc Master-Carr | -414.91 |
| 06/05/17 | 23158 | Mission Uniform Service | -1,204.71 |
| 06/05/17 | 23159 | P G & E | -26,119.67 |
| 06/05/17 | 23160 | Palace Business Solutions | -744.02 |
| 06/05/17 | 23161 | Pinnacle Agriculture | -1,093.68 |
| 06/05/17 | 23162 | Postmaster | -86.00 |
| 06/05/17 | 23163 | Powers Electric Products Co. | -860.10 |
| 06/05/17 | 23164 | Razzolink.com | -132.90 |
| 06/05/17 | 23165 | USA Blue Book | -177.27 |
| 06/12/17 | 23166 | T SEWEJKIS & KENNETH HINZMAN | -7.89 |
| 06/12/17 | 23167 | WILLIAM H THOMAS | -138.30 |

| <u>Date</u> | <u>Number</u> | <u>Name</u> | <u>Amount</u> |
|----------------------------|---------------|------------------------------------------|---------------------------|
| 06/12/17 | 23168 | Padilla, David | -150.00 |
| 06/12/17 | 23169 | Ace Hardware (Johnson Lumber Co.) | -16.23 |
| 06/12/17 | 23170 | AT&T | -466.74 |
| 06/12/17 | 23171 | Brenntag Pacific, Inc. | -14,221.51 |
| 06/12/17 | 23172 | Calcon System, Inc. | -390.00 |
| 06/12/17 | 23173 | Container Consulting Service, Inc. | -795.26 |
| 06/12/17 | 23174 | EBCO Pest Control | -60.00 |
| 06/12/17 | 23175 | First Trust Alarm Company | -295.00 |
| 06/12/17 | 23176 | Hach Company | -324.39 |
| 06/12/17 | 23177 | National Meter & Automation, Inc. | -59.03 |
| 06/12/17 | 23178 | Postmaster | -225.00 |
| 06/12/17 | 23179 | Power Equipment Co. | -31.81 |
| 06/12/17 | 23180 | Recology San Benito County | -128.51 |
| 06/12/17 | 23181 | San Benito County Water District | -260.50 |
| 06/12/17 | 23182 | South Valley Internet, Inc. | -20.45 |
| 06/12/17 | 23183 | Toro Petroleum Corp. | -1,096.58 |
| 06/12/17 | 23184 | Trans Union LLC | -90.65 |
| 06/12/17 | 23185 | U.S. Bank Corporate Payment Systems | -3,520.08 |
| 06/12/17 | 23186 | Wright Bros. Welding & Sheet Metal, Inc. | -76.12 |
| Total Disbursements | | | <u>-955,588.94</u> |

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

G. NEW BUSINESS:

- 1. CONSIDER ACCEPTING THE HOLLISTER URBAN AREA WATER & WASTEWATER MASTER PLAN PREPARED ON BEHALF OF THE CITY OF HOLLISTER, SAN BENITO COUNTY WATER DISTRICT, AND SUNNYSLOPE COUNTY WATER DISTRICT (Not a project under CEQA per Article 19, Section 15301):** General Manager/Secretary Ridenhour explained that in 2008, the City of Hollister, San Benito County, San Benito County Water District, and Sunnyslope County Water District completed the Hollister Urban Area Water and Wastewater Master Plan (Master Plan). Since 2008, most of the projects identified in the Master Plan have been completed, are under construction, or are nearing construction. The original Master Plan contemplated an update being necessary. The update of the Master Plan has been underway for a few years and is now complete and ready for the Board's acceptance. The consulting engineering firm HDR, prepared the Master Plan Update. Accepting the Mater Plan does not commit Sunnyslope County Water District to any of the projects suggested in the future but provides a guide to staff

to consider future projects that will be brought to the Board at a future date for consideration.

On May 24, 2017 the Governance Committee received a presentation regarding the Hollister Urban Area Water and Wastewater Master Plan Update and recommended each agency take the Master Plan Update back to their respective agency for acceptance. Each of the three agencies will be considering acceptance of the plan at their scheduled meeting in June 2017.

The Master Plan has updated water demand forecasts for the Hollister Urban Area, has identified future projects to meet water demand and quality objectives, and has estimated costs and a schedule for recommended facilities. Because the recommendations are partly due to future water demands, the agencies have agreed to revisit the water demand forecasts in three years to determine if the recommended schedule of future projects is still accurate.

Harry Blohm, Project Manager of the Hollister Urban Area Water Project, gave a power point presentation of the Hollister Urban Area Water & Wastewater Master Plan. There was much discussion amongst the Board regarding a variety of the components that are involved in the Master Plan. Director Alcorn pointed out that the District needs to develop how to give subsidies in the future.

Director Rodriguez arrived during Mr. Blohm's presentation at 5:25 p.m.

Upon motion made by Director Alcorn, seconded by Director Rodriguez, and carried 5-0 the Board accepted the Hollister Urban Area Water & Wastewater Master Plan prepared on behalf of the City of Hollister, San Benito County Water District, and Sunnyslope County Water District.

2. **CONSIDER ADOPTION AND APPROVAL OF THE DISTRICT BUDGET FOR FISCAL YEAR 2017/2018 (Not a project under CEQA per Article 20, Section 15262):** Finance Manager Cathy Buck stated that the Fiscal Year 2017/18 Proposed Budget is provided for review and discussion. Ms. Buck gave the Board a little background stating that this budget reflects the following noteworthy items: water revenue for the new fiscal year has been projected approximately 22.0% higher than this year's projected actual, based on a relaxation of expected customer water conservation and implementation of another 11.5% rate increase. Sewer revenue is projected to be slightly lower, since there are not rate increases scheduled and customer's water conservation in our sewer service area has lowered their sewer bills/revenue. The Rate Stabilization revenue from San Benito County Water District (SBCWD) will be

\$500,000 for this coming fiscal year (and is the last year of the credit). Both the Lessalt and West Hills WTP's revenue is based on the FY 17/18 budget, which has been reviewed and approved by SBCWD. This will be the first year of operation for the West Hills WTP, and so the budget for this plant is based on engineer's estimates.

The Finance Committee met on June 7, 2017 and reviewed the proposed budget. The Committee supports adoption of the proposed FY 2017/18 budget.

Cathy Buck explained that the overall budget for FY 2017/18 reflects a net loss of \$552,705, with no provision for non-operating revenues from capacity fees, miscellaneous fees, or interest income, which will likely cover this projected loss and result in a net income for the year.

Looking at the budget from a cash flow basis, we have non-cash expenses included for depreciation and amortization of water rights totaling \$1,789,333, which turns that overall budget loss into a positive cash flow of \$1,236,628. This cash flow is enough to pay for the debt service of \$974,679, with cash left to cover some of the potential capital expenditures. While budgeting for a loss is generally not desirable, management believes that the budget is conservative and that actual results will likely be more favorable, barring any unforeseen circumstance.

Upon motion made by Director Spencer, seconded by Director Ross, and carried 5-0, the Board adopted and approved the District Budget for Fiscal Year 2017/18.

- 3. CONSIDER SUNNYSLOPE COUNTY WATER DISTRICT BECOMING A MEMBER OF THE SAN BENITO COUNTY CHAMBER OF COMMERCE (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Ridenhour stated that Director Ross has requested that Sunnyslope County Water District consider becoming a member of the San Benito County Chamber of Commerce (Chamber). There are other public agencies that are members of the Chamber including the City of Hollister, City of San Juan Bautista, San Benito County, Water Resources Association of San Benito County (WRA), San Benito County Office of Education, San Benito High School District, and the Hollister School District. As a member of the WRA and contributing partner to their annual budget, the District is essentially already represented in the membership of the Chamber.

The annual dues for government agencies who belong to the Chamber are currently \$235 per year. The Chamber's mission is to "provide resources to businesses and individuals for the purposes of creating, promoting, and celebrating economic vitality". The Chamber has a green business program that the WRA participates in and benefits from

promoting water conservation for the San Benito County community. The annual cost to belong is very minimal.

On June 7th the Finance Committee discussed joining the Chamber. They supported becoming a member and recommended that staff be the District's representative at Chamber meetings. The Committee suggested Board Members could attend on a voluntary basis, but did not believe an official Board representation and compensation was necessary.

After much discussion, the Board agreed to join the Chamber for one year to see how beneficial it would be, and how much participation there was from the Board.

Upon motion made by Director Alcorn, seconded by Director Spencer, and carried 4-1 by a roll call vote of Directors: Alcorn – yes; Johnson – no; Rodriguez – yes; Ross – yes; and Spencer – yes, the Board agreed to Sunnyslope County Water District becoming a member of the San Benito County Chamber of Commerce for one year on a trial basis to decide if it would result in a net benefit to the District's rate payers.

- 4. CONSIDER APPROVAL OF THE AGREEMENT FOR WATER FACILITIES AND SERVICE FOR DEL CURTO DEVELOPMENT (Per the requirements of CEQA, a Mitigated Negative Declaration was prepared and filed for Pre-zone 2014-9 per Resolution 2015-9 by the City of Hollister):** Assistant Engineer Rob Hillebrecht explained that the proposed Del Curto Development is an infill project located at the end of Bonnie View Road with El Cerro Drive to the west and connecting to Bonnie View Drive to the north. The development includes the creation of 22 new single family lots along with new roadways and improvements. The development will receive potable water and fire protection water service from Sunnyslope County Water District as it is within the District's boundary. The additional water demands have been considered and addressed in the Hollister Urban Area Water Master Plan to ensure the District has sufficient water supply to serve such development. Additionally, this development will improve system circulation and accessibility in one of the District's oldest sections.

Mr. Hillebrecht provided the Board with the District's standard agreement for water facilities and service to a new development. The District currently has the capacity and ability to serve this development with potable water, but the Agreement includes acknowledgement of the District's right to terminate the Agreement if severe drought, or other unforeseen circumstances significantly limit its capacity or ability to serve new customers.

President Johnson had a variety of questions on the language in the standard Agreement for Water Facilities and Service, which Assistant Engineer Hillebrecht answered to President Johnson's satisfaction.

Upon motion made by Director Alcorn, seconded by Director Rodriguez, and carried 5-0 the Board approved the agreement for water facilities and service for Del Curto Development.

H. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** President Johnson reported that a meeting was held on May 24th, where they received and discussed the update to the Master Plan, which was covered tonight in agenda item #G.1. The meeting was attended by our District representatives, Director's Johnson and Rodriguez, and by two non-committee members, Director's Spencer and Ross (for informational/education purposes).

General Manager Secretary Ridenhour reported that in addition to the Master Plan update, there was discussion on the City of Hollister sending out a flyer to their customers regarding the blending of West Hills WTP water with their own water once the plant is up and running.

2. **Water/Wastewater Committee:** No meeting held.
3. **Finance Committee:** General Manager/Secretary Ridenhour reported that a meeting was held on June 7th to review and discuss Budget Draft for Sunnyslope County Water District Operations, which was presented tonight in agenda item #G.2. The committee discussed the excessive fees that Union Bank is proposing and the alternative to changing to Heritage Bank of Commerce and/or Rabobank; the proposal for Sunnyslope County Water District to join the SBC Chamber of Commerce, tonight's agenda item G.3.; and the District's current status with CalPERS retirement system.
4. **Policy and Procedure Committee:** No meeting held.
5. **Personnel Committee:** No meeting held.
6. **Water Resources Association of San Benito County (WRA):** President Johnson reported no meeting was held, and next scheduled meeting is set for July 6th.
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 May 31, 2017), Statement of Income (thru April 30, 2017), and Investment Summary (thru May 31, 2017). Ms. Buck asked if the Board had any questions and there were none.

The District's Investment Summary report reflects the total cash balance as of May 31, 2017 of \$9,539,808.94, which includes posted interest totaling \$35,870.50 (eleven months interest on the CDs, and four quarters of interest on the LAIF investment that posted in July, October, January, and April). Ms. Buck stated that cash remains steady.

Water/Wastewater Superintendent Jim Filice reported on the May 2017 Maintenance Staff Report, and asked the Board if there were any questions. President Johnson asked about a few questions to which Mr. Filice satisfactorily answered.

Mr. Filice reported to President Johnson on a question she had asked him earlier in the day, regarding the complaints on the water that were reported to the State last year. He stated that there was one complaint regarding the color of the water which turned out to be the resin in the customer's water softener, and there were five complaints regarding taste and odor.

In review of the Meter Reading Report for intertie meter data for the period of April 17, 2017 to May 15, 2017, the report shows the City received 29.3% of Lessalt Water Treatment Plant water, while the District received 70.7%. Mr. Filice stated that for this period, the City has paid back a little water.

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

8. **Active Tasks Update:** General Manager/Secretary Ridenhour reported that Maggiora Bros. Drilling has completed the repair to Well #2, installing a new pump and motor. Water was flushed onto adjacent orchards, tested, and will be put back into service after authorization from the State. Mr. Ridenhour stated that the repairs the well tested positive for coliform bacteria, was flushed and retested. Staff is waiting for the results of that testing and the ok from the State to put the well back into service.

A Request for Proposal has been mailed out to prospective engineering firms to design the cross-town pipeline and two proposals were received and are under review. Mr. Ridenhour stated that he met with the High School on June 9th and negotiations are going well. The environmental review is complete and will be taken to the City of Hollister for approval in July. On June 27th the decision from the County as to whether

they will begin on roads in August of 2018. Mr. Ridenhour stated that in his meetings with the High School, they have stated that they would like the District to pay for the easement around their property. They are scheduled to meet again this Friday, June 23rd.

Staff is currently training and operating the West Hills Water Treatment Plant with water being discharged to the City's industrial wastewater ponds. Approval from the State, to operate the plant and deliver the water to the City of Hollister is expected in late July.

LAFCO's Board will meet and discuss the sewer service on June 29th. The LAFCO Board delayed the item at their May Board Meeting. The Sunnyside Estates project was originally allowed to proceed, but authorization has been retracted and a decision or direction is expected at the end of June.

The District continues to wait for official correspondence and direction from the State regarding the Chromium 6 regulations. Blending is no longer being required of the City of Hollister in discussions regarding West Hills WTP water, but no official direction has been received by the State.

The Lessalt Water Treatment Plant had one pump motor down for repair, which pumps water into the District's middle zone. Maggiora Bros. Drilling was used to replace the motor bearings and reinstall.

I. BOARD and STAFF REPORTS

1. **Directors:** Director Ross reported that she will not be in attendance of the July Board meeting as she will be out of town.
2. **District Counsel:** Attorney Heidi Quinn introduced Michael D. Laredo and stated that Mr. Laredo will be the legal counsel at the next Board meeting as she has a prior commitment.
3. **Finance and Human Resource Manager:** Ms. Buck reported that she will be on vacation and will not be at the next Board meeting.
4. **Assistant Engineer:** No report.
5. **General Manager:** General Manager/Secretary Ridenhour reported that he will be on vacation from June 26th through July 4th, returning on July 5th.

J. FUTURE AGENDA ITEMS:

President Johnson requested that there be future discussion on the need for both a Water/Wastewater Committee and Governance Committee.

K. ADJOURNMENT: Upon motion made by Director Spencer, President Johnson adjourned the meeting at 7:17 p.m.

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

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