

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
June 26, 2018

- A. CALL TO ORDER:** The meeting was called to order at 4:30 p.m. by President Johnson, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. ROLL CALL: Present:** President Judi Johnson, Director Robert J. Rodriguez II, Director Ann Ross, and Director Honor Spencer. Director Mike Alcorn arrived at 4:33 p.m.
- C. PUBLIC COMMENT ON CLOSED SESSION MATTERS:** Members of the public may address the Board on the item or items listed on the Closed Session agenda, with a time limit of 3 minutes per speaker.
- D. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 & 54957.6:** President Johnson closed the meeting to the public at 4:31 p.m. so the Board could discuss anticipated litigation and labor negotiations with legal counsel.

President Johnson reconvened the meeting to open session at 5:15.

- E. PLEDGE OF ALLEGIANCE:** Director Spencer led Directors, staff, and public in the Pledge of Allegiance.
- F. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION:** Attorney Heidi Quinn reported that direction was provided to staff and no reportable action was taken on both items discussed in closed session.
- G. APPROVAL OF AGENDA:** Upon motion made by Director Ross, seconded by Director Alcorn, 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, Finance and Human Resource Manager Cathy Buck, Water/Wastewater Superintendent Jim Filice, and Assistant Engineer Rob Hillebrecht.

I. CONSENT AGENDA:

1. Approval of Minutes – The Board reviewed the minutes for the Regular Meeting of May 15, 2018.

2. Allowance of Claims– The Board reviewed the Disbursement Summary for the period May 8, 2018 through June 18, 2018, totaling \$2,447,931.69, which includes: \$1,717,961.89 for payments to vendors and employees, \$724,647.08 paid to the City of Hollister for net City sewer billings, and \$5,322.72 for customer refunds and checks returned. The last check written was as of June 18, 2018 was check #25814:

Date	Number	Name	Amount
05/15/18	ACH 1161	EFTPS	-153.00
05/08/18	ACH 1162	Transfer to LAIF	-500,000.00
05/15/18	ACH 1163	Intuit QuickBooks	-397.88
05/16/18	ACH 1164	RETURNED ACH (ACH Ret 05-01)	-225.58
05/16/18	ACH 1165	RETURNED ACH (ACH Ret 05-02)	-177.80
05/17/18	ACH 1166	RETURNED ACH (ACH Ret 05-03)	-31.59
05/17/18	ACH 1167	RETURNED ACH (ACH Ret 05-04)	-138.79
05/17/18	ACH 1168	RETURNED ACH (ACH Ret 05-05)	-215.59
05/17/18	ACH 1169	RETURNED ACH (ACH Ret 05-06)	-155.67
05/17/18	ACH 1170	RETURNED ACH (ACH Ret 05-07)	-148.03
05/17/18	ACH 1171	RETURNED ACH (ACH Ret 05-08)	-178.47
05/17/18	ACH 1172	RETURNED ACH (ACH Ret 05-09)	-148.03
05/31/18	ACH 1173	CalPERS - Retirement	-1,036.00
05/31/18	ACH 1174	CalPERS - Retirement	-2,084.39
05/31/18	ACH 1175	CalPERS - Retirement	-28,064.34
05/31/18	ACH 1176	CalPERS - Health Insurance	-16,855.26
05/31/18	ACH 1177	EFTPS	-25,279.56
05/31/18	ACH 1178	Employment Dev. Dept. (EDD) DE88 Pmts.	-10,821.65
05/23/18	ACH 1179	RETURNED CHECK (CK Ret 05-01)	-171.38
06/04/18	ACH 1180	Merchant Services	-1,721.01
06/15/18	ACH 1181	EFTPS	-273.80
06/18/18	ACH 1182	Heritage Bank of Commerce	-300,000.00
06/18/18	ACH 1183	RETURNED ACH (ACH Ret 06-01)	-209.58
06/18/18	ACH 1184	RETURNED CHECK (ACH Ret 06-02)	-181.24
06/18/18	ACH 1185	RETURNED CHECK (ACH Ret 06-03)	-240.00
05/15/18	DD 2245	Alcorn, Michael H.	-369.40
05/15/18	DD 2246	Johnson, Judi H.	-92.35
05/15/18	DD 2247	Rodriguez, II, Robert J.	-92.35
05/15/18	DD 2248	Ross, Ann C.	-92.35
05/15/18	DD 2249	Spencer, Honor A.	-277.05
05/31/18	DD 2250	Alvarez, Abel	-5,496.18
05/31/18	DD 2251	Bernal, Melissa M	-2,532.89
05/31/18	DD 2252	Boltz, William K	-6,646.08
05/31/18	DD 2253	Brill, Kelly L.	-4,652.69

Date	Number	Name	Amount
05/31/18	DD 2254	Buck, Cathy L.	-6,433.73
05/31/18	DD 2255	Burbank, Jr., Dee J.	-3,676.65
05/31/18	DD 2256	Castro, Kevin G.	-5,866.03
05/31/18	DD 2257	Chavez, Jr., Manuel T.	-7,252.83
05/31/18	DD 2258	Eclarin, Ernesto P.	-6,973.09
05/31/18	DD 2259	Filice, James L.	-7,444.39
05/31/18	DD 2260	Hagins, Patrick M.	-4,514.25
05/31/18	DD 2261	Hernandez, Bazilio	-5,672.74
05/31/18	DD 2262	Hillebrecht, Robert B.	-4,171.26
05/31/18	DD 2263	Jackson, Patrick W.	-5,902.45
05/31/18	DD 2264	Malko, Kim A.	-3,454.91
05/31/18	DD 2265	Norman, III, Walter R.	-5,402.21
05/31/18	DD 2266	Padilla, David	-5,681.46
05/31/18	DD 2267	Porteur, Carol A.	-4,376.47
05/31/18	DD 2268	Quick, Troy E.	-3,926.95
05/31/18	DD 2269	Ridenhour, Donald G.	-10,515.26
05/31/18	DD 2270	Sanchez, Ricardo A.	-4,596.03
05/31/18	DD 2271	Watson, Scott A.	-6,712.81
05/31/18	DD 2272	Zavala, Anabel G.	-4,451.39
06/15/18	DD 2273	Alcorn, Michael H.	-554.10
06/15/18	DD 2274	Johnson, Judi H.	-525.10
06/15/18	DD 2275	Ross, Ann C.	-92.35
06/15/18	DD 2276	Spencer, Honor A.	-277.05
05/14/18	25693	AT&T	-85.83
05/14/18	25694	Auto Tech Service Center, Inc.	-38.05
05/14/18	25695	Bracewell Engineering, Inc.	-126.00
05/14/18	25696	Brenntag Pacific, Inc.	-16,046.07
05/14/18	25697	Calif. Clean Energy LLC	-2,626.86
05/14/18	25698	EBCO Pest Control	-60.00
05/14/18	25699	Hach Company	-812.87
05/14/18	25700	Mc Master-Carr	-261.14
05/14/18	25701	Monterey Bay Air Resources District	-4,160.00
05/14/18	25702	Pinnacle Agriculture	-718.91
05/14/18	25703	Postmaster	-87.80
05/14/18	25704	Ranchers Feed	-270.60
05/14/18	25705	San Benito County Water District	-193.25
05/14/18	25706	Trans Union LLC	-132.65
05/14/18	25707	Wright Bros. Indust. Supply	-44.55
05/14/18	25708	ROBERT D LEBLOND	-1,190.00
05/15/18	25709	WaterWisePro Training	-300.00
05/21/18	25710	Johnson, Judi H.	-1,323.66
05/21/18	25711	FRANK P BORELLI JR.	-46.32
05/21/18	25712	DANIEL & SARAH DRYDEN	-147.42
05/21/18	25713	BRIAN & CAROL LEHMAN	-60.99
05/21/18	25714	MICHAEL & CATHERINE MCGREW	-75.02
05/21/18	25715	VY H TU	-103.03

Date	Number	Name	Amount
05/21/18	25716	GILLIAN WEBSTER	-16.75
05/21/18	25717	JACKSON YUEN	-91.26
05/21/18	25718	Mitch's Certified Classes, Inc	-300.00
05/21/18	25719	Mitch's Certified Classes, Inc	-300.00
05/21/18	25720	Padilla, David	-150.00
05/21/18	25721	A-1 Services	-403.00
05/21/18	25722	All Star Ready Mix, LLC	-253.07
05/21/18	25723	American Water Works Assoc. CA-NV Section	-360.00
05/21/18	25724	B.S.K. Analytical Laboratories, Inc.	-300.00
05/21/18	25725	Bianchi Kasavan & Pope, LLP	-930.00
05/21/18	25726	Calgon Carbon Corporation	-41,257.88
05/21/18	25727	City of Hollister-Finance Dept	-360,983.30
05/21/18	25728	De Lay & Laredo	-2,100.00
05/21/18	25729	Edges Electrical Group, LLC	-4.78
05/21/18	25730	Void	0.00
05/21/18	25731	John Smith Road Landfill	-154.37
05/21/18	25732	Kennedy/Jenks Consultants	-97,621.85
05/21/18	25733	Mc Kinnon Lumber Co., Inc.	-91.74
05/21/18	25734	Powers Electric Products Co.	-275.14
05/21/18	25735	Recology San Benito County	-128.51
05/21/18	25736	San Benito County Water District	-271,025.82
05/21/18	25737	State Water Resources Control Board-OOC	-110.00
05/21/18	25738	Tecnetics Industries Inc. DBA Tecweigh	-5,965.25
05/21/18	25739	Toro Petroleum Corp.	-2,283.04
05/21/18	25740	Evoqua Water Technologies LLC (Siemens)	-9,893.81
05/21/18	25741	San Benito County-Clerk	-46.00
05/23/18	25742	Postmaster	-211.60
05/29/18	25743	AT&T	-314.29
05/29/18	25744	Brenntag Pacific, Inc.	-18,286.89
05/29/18	25745	Brigantino Irrigation	-218.87
05/29/18	25746	Central Ag Supply LLC	-458.71
05/29/18	25747	CM Analytical, Inc.	-9,743.75
05/29/18	25748	Ferguson Enterprises, Inc.	-554.12
05/29/18	25749	Hach Company	-170.82
05/29/18	25750	Konica Minolta Premier Finance	-412.91
05/29/18	25751	Mc Master-Carr	-85.34
05/29/18	25752	Mid Valley Supply	-294.40
05/29/18	25753	Palace Business Solutions	-375.75
05/29/18	25754	Pinnacle HealthCare	-1,539.00
05/29/18	25755	Postmaster	-2,019.39
05/29/18	25756	Quinn Company	-545.30
05/29/18	25757	R.F. MacDonald Co.	-3,801.28
05/29/18	25758	San Benito Tire Pros & Automotive	-363.11
05/29/18	25759	Verizon Wireless	-295.16
05/29/18	25760	Wright Bros. Indust. Supply	-40.74
05/31/18	25761	Nationwide Retirements Solutions	-23,256.08

Date	Number	Name	Amount
05/31/18	25762	Dearborn National Life Insurance Company	-368.00
05/31/18	25763	HealthSmart Benefit Solutions, Inc. (VSP)	-313.10
05/31/18	25764	Premier Access Insurance Co.	-3,078.46
06/01/18	25765	Razzolink.com	-76.95
05/30/18	25766	Petty Cash	-24.85
06/04/18	25767	SAMUEL & FEI-YI KAO	-87.25
06/04/18	25768	ARLENE O'NEIL	-59.31
06/04/18	25769	RALPH PARTNERS II LLC	-213.62
06/04/18	25770	BROOKS & CHERI SCHMIDT	-282.39
06/04/18	25771	JACKSON YUEN	-150.00
06/04/18	25772	Watson, Scott A.	-130.78
06/04/18	25773	Ace Hardware (Johnson Lumber Co.)	-820.86
06/04/18	25774	Auto Tech Service Center, Inc.	-539.79
06/04/18	25775	Brenntag Pacific, Inc.	-29,218.56
06/04/18	25776	Corix Water Products	-412.76
06/04/18	25777	MBS Business Systems	-1,074.71
06/04/18	25778	Mission Uniform Service	-1,118.62
06/04/18	25779	O'Reilly Auto Parts	-95.71
06/04/18	25780	Palace Business Solutions	-548.38
06/04/18	25781	Postal Graphics (was Post Net)	-374.59
06/04/18	25782	San Benito County Water District	-315.10
06/04/18	25783	Toro Petroleum Corp.	-666.33
06/11/18	25784	U.S. Bank Corporate Payment Systems	-3,038.76
06/11/18	25785	Trans Union LLC	-138.80
06/11/18	25786	Toro Petroleum Corp.	-1,649.57
06/11/18	25787	Recology San Benito County	-128.51
06/11/18	25788	Postmaster	-225.00
06/11/18	25789	Pinnacle Agriculture	-733.65
06/11/18	25790	Hach Company	-969.18
06/11/18	25791	EBCO Pest Control	-60.00
06/11/18	25792	CM Analytical, Inc.	-9,741.25
06/11/18	25793	Brenntag Pacific, Inc.	-11,125.28
06/11/18	25794	Bracewell Engineering, Inc.	-126.00
06/11/18	25795	Bianchi Kasavan & Pope, LLP	-799.39
06/11/18	25796	AT&T	-631.70
06/11/18	25797	All Star Ready Mix, LLC	-1,124.50
06/11/18	25798	AICPA	-415.00
06/11/18	25799	Burbank, Jr., Dee J.	-150.00
06/18/18	25800	A-1 Services	-403.00
06/18/18	25801	Brenntag Pacific, Inc.	-13,664.14
06/18/18	25802	Calgon Carbon Corporation	-41,257.88
06/18/18	25803	City of Hollister-Finance Dept	-363,663.78
06/18/18	25804	De Lay & Laredo	-2,100.00
06/18/18	25805	John Smith Road Landfill	-431.79
06/18/18	25806	Kennedy/Jenks Consultants	-49,749.75
06/18/18	25807	New SV Media, Inc. (was So. Valley News.)	-55.00

Date	Number	Name	Amount
06/18/18	25808	San Benito County Water District	-294.75
06/18/18	25809	Wright Bros. Welding & Sheet Metal, Inc.	-43.92
06/18/18	25810	RANDALL & LORRAINE BONINO	-149.81
06/18/18	25811	PAUL CASILLAS REV TR & CATHY CASILLAS	-160.92
06/18/18	25812	PAUL & STEPHANIE CETANI	-151.10
06/18/18	25813	SCOTT & FRANCES COUTTS	-115.78
06/18/18	25814	Petty Cash	-85.77
Total Disbursements			<u>-2,447,931.69</u>

President Johnson noted that check #25724 payable to B.S.K. Analytical Laboratories, Inc. for \$300 was for school lead sampling. President Johnson asked Jim Filice to explain check #25734 to Powers Electric Products for \$275.14, which he explained was for a cable reel marked in feet with an electrode attached for taking well depth measurements, to replace one lost down a well, and she asked Cathy Buck about check #25754 to Pinnacle HealthCare for \$1,539.00, which she explained was for Hepatitis A & B vaccines as well as Tetanus (Tdap) vaccine for several employees. Ms. Buck explained that since maintenance staff are at risk of contracting these virus due to working with wastewater, staff is given the opportunity to receive these vaccinations. Office staff may also come into contact with the virus due to working closely with maintenance staff so they are eligible as well.

Upon motion made by Director Alcorn, seconded by Director Rodriguez, and carried 5-0 the consent agenda was approved as presented.

J. NEW BUSINESS:

- 1. CONSIDER ADOPTION OF RESOLUTION NO. 550 ORDERING A DISTRICT ELECTION, REQUESTING THE COUNTY OF SAN BENITO TO CONDUCT THE ELECTION, AND AUTHORIZING PAYMENT FOR THE COST OF THE ELECTION (ESTIMATED TO BE \$25,000). (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Ridenhour explained that on November 30, 2018, three of the Board of Director’s terms will expire requiring an election of Board Members to fill these three upcoming vacancies. The next regular election will be held November 6, 2018 and the District must adopt a resolution ordering the election, requesting the County of San Benito conduct the election, and authorize payment for the County’s services to conduct the District’s election. This Resolution and a Notice of Elective Offices to be Filled must be certified and delivered to the County Clerk of San Benito County at least 125 days prior to the day of the election (July 3, 2018) in order for the District to utilize the services of the County. The cost for the County to conduct the election on the District’s behalf will be dependent on the candidates running and the District’s share of the County’s overall cost of conducting the election on November 6, 2018, but is not expected to exceed \$25,000. The cost should

be less due to the District's election being held with several other local, State, and Federal elections reducing the District's share, but the actual cost will not be known until sometime late in 2018.

Residents of Sunnyslope County Water District interested in running for open seats on the Board of Directors must submit forms declaring their candidacy between 113 days prior to the election and 88 days prior to the election or between July 16, 2018 and by August 10, 2018 at 5:00 pm. These forms may be obtained from the County Office of Elections between these dates.

Upon motion made by Director Rodriguez, seconded by Director Alcorn, and carried 5-0 the Board adopted Resolution No. 550 ordering a District election, requesting the County of San Benito to conduct the election, and authorized payment for the cost of the election (estimated to be \$25,000).

- 2. CONSIDER ADOPTION AND APPROVAL OF THE DISTRICT BUDGET FOR FISCAL YEAR 2018/19. (Not a project under CEQA per Article 20, Section 15378):** Finance and Human Resource Manager Cathy Buck stated that the Fiscal Year 2018/19 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 15.7% higher than this year's projected actual, based on a relaxation of expected customer water conservation and implementation of the final 3.0% rate increase approved in 2013, which will be effective in December, 2018. Sewer revenue is projected to be slightly higher (0.5%) than this year's projected actual, since there are no rate increases scheduled and customer's water conservation in our sewer service area has lowered their sewer bills/revenue. The Rate Stabilization revenue from SBCWD finished up last year, so we have received all of the \$5M credit as agreed. Both the Lessalt and West Hills WTP's revenue is based on their FY 18/19 operating budgets, which have been reviewed and approved by SBCWD and the City of Hollister.

The Finance Committee met on May 31, 2018 and reviewed the proposed budget. The Committee supports adoption of the proposed FY 2018/19 budget.

Cathy Buck explained that the overall budget for FY 2018/19 reflects a net loss of \$421,793, with no provision for non-operating revenues from capacity fees, miscellaneous fees, or interest income, the combination of 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 \$1,812,500, which turns that overall

budget loss into a positive budget of \$1,390,707. This cash flow is enough to pay for the debt service of \$1,299,878, 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.

President Johnson and Director Alcorn both commented on the amount of detail put into the budget and referencing the previous year's numbers.

Upon motion made by Director Rodriguez, seconded by Director Alcorn, and carried 5-0 the District Budget for Fiscal Year 2018/19 was approved and adopted.

3. APPROVAL OF THE CONSTRUCTION CONTRACT AND AWARD OF THE CROSSTOWN PIPELINE PROJECT TO SPECIALTY CONSTRUCTION, INC. AT A PRICE OF \$4,913,646 ALONG WITH AUTHORIZATION FOR THE EXPENDITURE OF AN ADDITIONAL 5% CONTINGENCY FOR A TOTAL COST NOT TO EXCEED \$5,160,000. (Mitigated Negative Declaration prepared in accordance with CEQA and approved by the City of Hollister on September 18, 2017):

Assistant Engineer Hillebrecht stated that Sunnyslope County Water District went out to bid on May 14, 2018 for the Crosstown Pipeline Project by advertising the project on the Central Coast Builders Exchange, directly contacting specific contractors and placing a Notice in the Hollister Freelance newspaper. The project includes approximately 5,300 feet of 18" pipe, 4,300 feet of 16" pipe, a new booster pump station and building at District Well 2 site, and blending stations for the District Well 2 and Well 11, as well as the City of Hollister Bundeson Well. With this project, water from West Hills WTP can be delivered into Sunnyslope's distribution system and blended with well water to improve the water quality to all of the District customers. A pre-bid meeting was held on June 4, 2018 where bidders had the opportunity to visit the sites and ask questions. The Engineer's Estimate for the project was \$5,750,000.

The following bids were received from the respective contractors and publicly opened on June 20, 2018. District Staff have examined the bids to ensure that they meet all the requirements for being a responsible bidder.

1) Specialty Construction, Inc.	\$ 4,913,464
2) Monterey Peninsula Engineering	\$ 5,487,777
3) Pacific Underground Construction Inc.	\$ 6,077,212
4) Don Chapin Co.	\$ 6,651,172

Specialty Construction is based out of San Luis Obispo and does utility construction throughout the Central Coast area. They were the contractor for the Lessalt WTP Upgrade in 2014 and developed a good working relationship with District Staff during that project.

Staff suggest that an additional 5% contingency be added to the bid price for change orders and unanticipated issues. This percentage corresponds to assumptions made in reimbursement agreements with the City and County.

Project costs will be allocated such that the District pays 75% and the City of Hollister pays 25% of the construction cost based on the Reimbursement Agreement dated May 21, 2018. Therefore the cost for the District shall not exceed \$3,870,000. This expense has been anticipated and planned for several years in the District's Capital Improvement Plan. As a result, the District has saved and designated sufficient funds to pay for this project without incurring additional debt.

Director Ross had a question regarding the "Acts of Nature Insurance" which was fully addressed by Associate Engineer Rob Hillebrecht and General Manager/Secretary Ridenhour.

Upon motion made by Director Alcorn, seconded by Director Spencer, and carried 5-0, the Board approved the construction contract and award of the Crosstown Pipeline Project to Specialty Construction, Inc. at a price of \$4,913,646 along with authorization for the expenditure of an additional 5% contingency for a total cost not to exceed \$5,160,000.

- 4. CONSIDER SUNNYSLOPE COUNTY WATER DISTRICT BECOMING A MEMBER OF THE SAN BENITO COUNTY BUSINESS COUNCIL. (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Ridenhour stated that Director Rodriguez invited the General Manager to a recent San Benito County Business Council Meeting and has suggested that Sunnyslope County Water District consider becoming a member. Mr. Ridenhour stated that after attending the meeting on March 1, 2018, he thinks it would be beneficial for the District to become a member. Development in the County and City of Hollister was discussed at the meeting and utilities and water resources were a topic that came up in the discussions. He shared that he was able to make an announcement about our open house at the West Hills Water Treatment Plant and to discuss improved water quality with the several members at the meeting. He has been watching agendas for the monthly meetings since attending in March and thinks it would be a beneficial local organization for the District to belong to. There are other public agencies that are members of the Business Council including the City of Hollister, City of San Juan Bautista, San Benito County, and the Hollister School District.

The annual dues for government agencies (non-voting) who belong to the San Benito Business Council is currently \$1,000 per year. The Business Council core objectives include facilitating intergovernmental cooperation, supporting the community job base,

and promoting community wellness & sustainability. The annual cost to belong is very minimal and covers up to three staff or Board Members attending the monthly meetings.

On May 31st the Finance Committee discussed joining the Business Council and supports the District being a member of either the San Benito County Chamber of Commerce or the San Benito Business Council, but not both. The District joined the Chamber of Commerce in the summer of 2017. Staff has attended one of their business meetings regarding growth control measures. Director Ross added that she supported the District belonging to both the Business Council and the Chamber of Commerce because both provide the District with an opportunity to get water and wastewater information out to the public and promote the projects we are constructing for the benefit of the community.

After discussion, the Board agreed that due to the considerably low annual dues for the San Benito County Chamber of Commerce, that the District should remain with the Chamber and also join the San Benito County Business Council to have the exposure for the District.

Upon motion made by Director Rodriguez, seconded by Director Spencer, and carried 5-0, the Board approved becoming a member of the San Benito County Business Council.

K. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** No meeting.
2. **Water/Wastewater Committee:** General Manager/Secretary Ridenhour reported that a meeting was held on June 21st to discuss the Crosstown Pipeline Phase 1 construction and Phase 2 bidding update; Southside Road slide and County repairs; and the Pacheco Reservoir Project & SBCWD's participation, which were all on tonight's agenda.
3. **Finance Committee:** General Manager/Secretary Ridenhour reported that the committee met on May 31st to review and discuss the FY 2018-19 Budget draft, and to review and discuss the District potentially becoming a member of the San Benito Business Council for FY 2018-19, both which were on tonight's agenda.
4. **Policy and Procedure Committee:** No meeting.
5. **Personnel Committee:** No meeting.
6. **Water Resources Association of San Benito County (WRA):** President Johnson reported that the next meeting is set for July 12, 2018.

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 her monthly written narrative report on the Operations Summary (thru May 31, 2018), Statement of Income (thru April 30, 2018), and Investment Summary (thru May 31, 2018). Ms. Buck stated that the District has received twenty-three (23) water capacity fees and zero (0) wastewater capacity fees in May 2018, bringing the total to one hundred ninety-seven (197) water capacity fees and three (3) wastewater capacity fees received this fiscal year, compared to eighteen (18) water capacity fees and one (1) wastewater capacity fee received in May 2017, and a total of one hundred thirty-two (132) water capacity fees and two (2) wastewater capacity fees received last fiscal year. This is 49.3% greater than last year in an eleven month time span.

President Johnson asked Ms. Buck to explain the line added on the Operations Summary and Ms. Buck explained that “No. E-Bill Cust’s (paperless)” was added to show the number of District customers that receive their monthly bill via e-mail rather than through the US mail service, which saves the District on bill paper, postage, and the return envelope.

The District’s Investment Summary report reflects the total cash balance as of May 31, 2018 of \$12,301,556.05, which includes posted interest totaling \$67,578.22 (eleven months interest on the CDs, and interest on the LAIF investment that posted in July, October, January, and April). Ms. Buck reported that since the Investment Summary report was completed, the CD with Heritage Bank matured on June 10th, and on June 12th she transferred \$1M to LAIF and the remaining balance to the MM account. On June 18th, she also transferred \$300,000 in excess funds from our Heritage Bank checking account to the MM account.

Water/Wastewater Superintendent Jim Filice reported on the May 31, 2018 Maintenance Staff Report, and asked the Board if there were any questions. President Johnson asked Mr. Filice to explain #15 under Wastewater, which was about adding a Supervisory Control and Data Acquisition (SCADA) alarm to show when the backup main lift station is running. Mr. Filice stated that recently the main lift station had failed and the backup main then took over operations, but staff was not notified on the SCADA system that the backup main had taken over operation.

In review of the Meter Reading Report for the period of April 16, 2018 to May 15, 2018, the intertie meter data indicates the City received -1.8% of Lessalt Water Treatment Plant water, while the District received 101.8%, and the City received 100% of the West Hills Water Treatment Plant water, while the District received 0%. Mr. Filice stated that the City has paid back a little more water to the District.

Water/Wastewater Superintendent Jim Filice reported on the groundwater level report shows the wells have turned the corner and started the downward trend.

8. **Active Tasks Update:** General Manager/Secretary Ridenhour reported that the Water Bill Tax proposed by the Governor and the Legislature as a budget trailer bill appears to be dead. An agreement was reached between the Governor, ACWA, and others to fund disadvantaged water systems with general fund dollars.

San Benito County Water District (SBCWD) will be signing an MOU with Santa Clara County Water District and Pacheco Pass Water District on June 27th to participate in the Pacheco Reservoir expansion. The reservoir expansion scored the highest Statewide for Prop 1 dollars. SBCWD will have an option to participate up to 10% in the project and possibly higher. This project could solve Sunnyslope's future surface water supply needs.

General Manager/Secretary Ridenhour announced that Rob Hillebrecht recently passed his Professional Engineering License exam and has been promoted to Associate Engineer. Rob is now a licensed Professional Civil Engineer in the State of California.

The Governor signed new legislation imposing permanent water conservation measures in June, mandating water consumption budgets for water agencies throughout the State. The specific regulations have yet to be drafted but will set targets for per capita water use in future years. As an example, 55 gallons per capita per day in the winter and water use budget for irrigation that depends on region climate.

L. BOARD and STAFF REPORTS

1. **Directors:** No report.
2. **District Counsel:** No report.
3. **Finance and Human Resource Manager:** Cathy Buck reported that she will be on vacation from July 16th thru August 6th, returning to work on August 7th. Ms. Buck also inquired about whether Director Ross would be able to perform the 3rd quarter check signing duties as she is still recovering from her foot surgery. Director Ross asked Director Rodriguez to switch with her, since he is assigned to the 4th quarter and he agreed.
4. **Assistant Engineer:** No report.
5. **General Manager:** No report.

M. FUTURE AGENDA ITEMS: None.

N. ADJOURNMENT: President Johnson adjourned the meeting at 6:19 p.m.

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

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