

**MINUTES**  
**BOARD OF DIRECTORS**  
**SUNNYSLOPE COUNTY WATER DISTRICT**  
**Regular Meeting**  
**March 15, 2016**

- A. CALL TO ORDER:** The meeting was called to order at 5:15 p.m. by President Hill, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. ROLL CALL: Present:** President Kathleen Hill; Directors, Mike Alcorn, Judi Johnson, Dave Meraz, and Danny Villalon.
- C. PLEDGE OF ALLEGIANCE:** Director Alcorn led Directors, staff, and public in the Pledge of Allegiance.
- D. APPROVAL OF AGENDA:** Upon motion made by Director Johnson, seconded by Director Villalon, and carried 5-0, 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, and Assistant Engineer Rob Hillebrecht.

**F. CONSENT AGENDA:**

1. Approval of Minutes – for the Regular Meeting of February 16, 2015.
2. Allowance of Claims – to ratify disbursements for the period from February 9, 2016 through March 7, 2016, totaling \$1,318,118.35 which includes \$472,066.12 for payments to vendors and employees, \$342,432.76 paid to the City of Hollister for amounts collected from their customer’s for City sewer billings net of our fees, \$500,000.00 transferred to LAIF, and \$3,619.47 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of March 7, 2016 was check #21742.

The list of disbursements is as follows:

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
02/12/16	ACH 0803	EFTPS	-132.10
02/16/16	ACH 0804	Merchant Services	-0.58
02/17/16	ACH 0805	RETURNED ACH (ACH Ret 02-01)	-131.42
02/17/16	ACH 0806	RETURNED ACH(ACH Ret 02-02 thru 02-05)	-587.79
02/16/16	ACH 0807	RETURNED CHECK (Ck Ret 02-02)	-153.49
02/18/16	ACH 0808	RETURNED ACH(ACH Ret 02-06 thru 02-12)	-1,212.23
02/19/16	ACH 0809	RETURNED CHECK (Ck Ret 02-03)	-148.00
02/29/16	ACH 0810	EFTPS	-21,851.30
03/03/16	ACH 0812	Local Agency Invest. Fund (LAIF) Transfer	-500,000.00
03/03/16	ACH 0813	Merchant Services	-451.20
03/03/16	ACH 0814	Merchant Services	-1,112.29
02/12/16	DD 1571	Alcorn, Michael H	-184.70
02/12/16	DD 1572	Johnson, Judi H	-92.35
02/12/16	DD 1573	Meraz, David E	-92.35
02/12/16	DD 1574	Villalon, Daniel	-67.35
02/29/16	DD 1575	Alvarez, Abel	-4,769.66
02/29/16	DD 1576	Brill, Kelly L.	-4,572.07
02/29/16	DD 1577	Buck, Cathy L.	-6,442.87

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
02/29/16	DD 1578	Castro, Kevin G.	-4,272.36
02/29/16	DD 1579	Chavez, Jr., Manuel T.	-7,088.50
02/29/16	DD 1580	Eclarin, Ernesto P.	-4,466.34
02/29/16	DD 1581	Filice, James L.	-6,595.66
02/29/16	DD 1582	Hagins, Patrick M.	-4,854.71
02/29/16	DD 1583	Hillebrecht, Robert B	-3,731.47
02/29/16	DD 1584	Jackson, Patrick W.	-5,211.73
02/29/16	DD 1585	Malko, Kim A.	-2,912.36
02/29/16	DD 1586	Marden, Robert E	-2,553.69
02/29/16	DD 1587	Norman, III, Walter R.	-3,769.06
02/29/16	DD 1588	Padilla, David	-5,419.20
02/29/16	DD 1589	Porteur, Carol A.	-4,042.76
02/29/16	DD 1590	Quick, Troy E	-4,335.74
02/29/16	DD 1591	Ridenhour, Donald G	-9,925.74
02/29/16	DD 1592	Sanchez, Ricardo A	-3,883.90
02/29/16	DD 1593	Watson, Scott A.	-4,939.04
02/29/16	DD 1594	Zavala, Anabel G.	-4,241.70
02/12/16	21659	Hill, Kathleen A	-184.70
02/12/16	21660	Toro Petroleum Corp.	-691.51
02/16/16	21661	Atlas Copco Compressors, Inc.	-119.27
02/16/16	21662	Auto Tech Service Center, Inc.	-36.88
02/16/16	21663	Bianchi Kasavan & Pope, LLP	-476.00
02/16/16	21664	Calif. Clean Energy LLC	-2,525.46
02/16/16	21665	City of Hollister-Finance Dept	-342,432.76
02/16/16	21666	Edges Electrical Group	-116.68
02/16/16	21667	GE Analytical Instruments, Inc.	-597.47
02/16/16	21668	PAPA	-35.00
02/16/16	21669	Performance Agriculture	-1,198.75
02/16/16	21670	Recology San Benito County	-129.16
02/16/16	21671	Trans Union LLC	-50.00
02/16/16	21672	U.S. Bank Corporate Payment Systems	-975.04
02/16/16	21673	ANDERSON HOMES	-25.41
02/16/16	21674	ANDERSON HOMES	-32.82
02/16/16	21675	BERTAO & BERTAO INC	-400.00
02/16/16	21676	MOUNTAIN CASCADE INC	-419.26
02/16/16	21677	JORDAN & NATALIE SKARDA	-69.34
02/16/16	21678	City of Hollister-Finance Dept	-175.15
02/16/16	21679	Credit Consulting Services, Inc.	-142.46
02/22/16	21680	A-1 Services	-403.00
02/22/16	21681	A Tool Shed	-25.00
02/22/16	21682	American Water Works Assoc.CA-NV Section	-110.00
02/22/16	21683	Brenntag Pacific, Inc.	-2,737.09
02/22/16	21684	CM Analytical, Inc.	-5,468.75
02/22/16	21685	De Lay & Laredo	-2,000.00
02/22/16	21686	Hach Company	-294.22
02/22/16	21687	Northern Tool & Equipment Co.	-251.93
02/22/16	21688	Postal Graphics (was Post Net)	-52.05
02/22/16	21689	Stargazer Packaging	-552.40
02/22/16	21690	Top Health-Safety/Personal Best	-487.88
02/23/16	21691	Postmaster	-214.25
02/29/16	21692	Bracewell Engineering, Inc.	-126.00
02/29/16	21693	City National Bank	-168,881.16
02/29/16	21694	CM Analytical, Inc.	-2,445.00
02/29/16	21695	Corix Water Products	-2,727.84
02/29/16	21696	EBCO Pest Control	-55.00
02/29/16	21697	Ferguson Enterprises, Inc.	-59.51
02/29/16	21698	Hollister Powersports	-798.03
02/29/16	21699	Mc Master-Carr	-51.47
02/29/16	21700	Mission Uniform Service	-714.64
02/29/16	21701	O'Reilly Auto Parts	-96.12

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
02/29/16	21702	Palace Business Solutions	-186.83
02/29/16	21703	Pentair Valves & Controls US LP	-2,132.53
02/29/16	21704	Performance Agriculture	-604.70
02/29/16	21705	Petty Cash	-13.80
02/29/16	21706	Radio Shack (Crystal T.V.)	-7.58
02/29/16	21707	Razzolink.com	-209.85
02/29/16	21708	San Benito Tire, Inc.	-490.87
02/29/16	21709	State Water Resources Control Bd.-DWOCB	-100.00
02/29/16	21710	Toro Petroleum Corp.	-965.81
02/29/16	21711	Employment Dev. Dept. (EDD) DE88 Pmts.	-7,782.76
02/29/16	21712	CalPERS - Retirement	-1,036.00
02/29/16	21713	CalPERS - Retirement	-957.83
02/29/16	21714	Nationwide Retirements Solutions	-15,447.89
02/29/16	21715	CalPERS - Health Insurance	-18,581.35
02/29/16	21716	CalPERS - Retirement	-22,251.82
02/29/16	21717	Dearborn National Life Insurance Company	-304.00
02/29/16	21718	HealthSmart Benefit Solutions, Inc. (VSP)	-320.77
02/29/16	21719	Premier Access Insurance Co.	-3,231.85
02/29/16	21720	Postmaster	-1,977.64
03/07/16	21721	MARIE BROWN	-49.16
03/07/16	21722	JAMES H SHOEMATE	-10.53
03/07/16	21723	Hagins, Patrick M.	-130.49
03/07/16	21724	MARIA A REYES	-380.02
03/07/16	21725	Ace Hardware (Johnson Lumber Co.)	-582.54
03/07/16	21726	AT&T	-748.50
03/07/16	21727	City of Hollister-Finance Dept	-117.33
03/07/16	21728	Cresco Equipment Rentals & Affiliates	-3,200.32
03/07/16	21729	Everbank Commercial Finance, Inc.	-224.60
03/07/16	21730	Hach Company	-457.18
03/07/16	21731	Hollister Auto Parts, Inc.	-7.66
03/07/16	21732	Hopkins Technical Products Inc.	-1,591.01
03/07/16	21733	Mc Master-Carr	-184.41
03/07/16	21734	Mid Valley Supply	-417.10
03/07/16	21735	National Meter & Automation, Inc.	-60,748.25
03/07/16	21736	O'Reilly Auto Parts	-121.11
03/07/16	21737	Performance Agriculture	-718.75
03/07/16	21738	San Benito County Water District	-5,609.93
03/07/16	21739	South Valley Internet, Inc.	-20.45
03/07/16	21740	Telstar Instruments	-990.00
03/07/16	21741	U.S. Bank Corporate Payment Systems	-1,192.42
03/07/16	21742	Verizon Wireless	-382.54
<b>Total Disbursements</b>			<b><u>-1,318,118.35</u></b>

Director Johnson inquired about ACH 0804 for Merchant Services, dated 2/16/16 in the amount of \$0.58 and Cathy Buck explained that it is a fee for processing a customers debit card as credit with the merchant credit card processing. Ms. Buck has contacted Merchant Services and they will be including that particular fee with the other fees charged monthly instead of as a separate transaction. Director Johnson also inquired about check # 21729 to Everbank Commercial Finance, Inc. in the amount of \$224.60 and Ms. Buck stated that is a monthly fee we are charged for the copier lease for the Konica Minolta Biz Hub 360. She also noted that we recently replaced that machine with a faster, more efficient copier and we will now be billed by Konica Minolta Leasing. Director Johnson asked about check # 21737 payable to Performance Agriculture in the amount of \$718.75 and Ms. Buck responded that is for the nitrates we inject into the sewer lift stations to prevent hydrogen sulphide development in the sewer collection system, which is an ongoing process.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 5-0,

the consent agenda was approved as presented.

**G. NEW BUSINESS:**

- 1. CONSIDER APPROVAL OF A PROPOSAL PREPARED BY HDR CONSULTANTS FOR THE PRELIMINARY DESIGN OF THE CROSS TOWN PIPELINE WITH THE DISTRICT'S SHARE NOT TO EXCEED \$114,982:** General Manager/Secretary Ridenhour explained that the so called "Cross Town Pipeline" that will connect the West Hills Water Treatment Plant to Sunnyslope County Water District's water distribution system was envisioned in the Hollister Urban Area Master Plan (HUAMP). The construction of the pipeline was expected in future years after completion of the West Hills Water Treatment Plant, however changes in the State's Chromium 6 water quality regulations has resulted in the City of Hollister needing this pipeline constructed by December 2019. It is also in the District's interest to construct this pipeline earlier to accelerate the delivery of additional high quality surface water from the West Hills Water Treatment Plant to the District's water customers. A preliminary design of the pipeline is needed to determine the location and route of the future pipeline and where best to interconnect with both the District's and the City's water distribution systems.

The engineering firm of HDR Consultants prepared the original HUAMP and is currently preparing the update to the HUAMP, which includes a water distribution system hydraulic model. The hydraulic model is essential for preparing the predesign of the Cross Town Pipeline. HDR has prepared a proposal for the Cross Town Pipeline's preliminary design and are the logical firm to perform this work because of their knowledge of both the District's and the City's water systems. San Benito County Water District (SBCWD) will amend their professional services contract with HDR to add this additional task, if approved by the City and the District. The City is scheduled to approve their share of the preliminary design work on March 7th and SBCWD approved the amendment on February 24th contingent on the District's and City's approval.

The Predesign proposal prepared by HDR was shared and discussed with the Water & Wastewater Committee on February 29th and the consensus was that the District should proceed with the work. If authorized, the predesign work will be complete by October of this year. At that time the City and District will decide on how to proceed with the final design of the pipeline including how to share in the cost of constructing the pipeline.

There was much discussion amongst the Board on the reason for the preliminary design, due to the cost of just a preliminary design, and not the final design. General Manager/Secretary Ridenhour explained that the preliminary design will provide the plan for the pipeline layout which could mean taking advantage of installing portions of the pipeline where new development may be going in, and in turn would save money; provide a budget which would give a better understanding of the cost; and provide information needed to determine the cost share of construction between the City of Hollister and the District.

Upon motion made by Director Johnson, seconded by Director Alcorn, and carried 5-0, the Board approved a proposal prepared by HDR Consultants for the preliminary design of the cross town pipeline with the District's share not to exceed \$114,982.

- 2. CONSIDER AUTHORIZING BOARD MEMBERS AND GENERAL MANAGER TO ATTEND THE ASSOCIATION OF CALIFORNIA WATER AGENCIES CONFERENCE (ACWA) AND THE ACWA/JOINT POWERS INSURANCE AUTHORITY (JPIA) MEETING MAY 2 – 6, 2016 IN MONTEREY, CALIFORNIA:** General Manager/Secretary Ridenhour explained that the ACWA Spring Conference is being held in Monterey from May 3<sup>rd</sup> through the 6<sup>th</sup> this year. On Monday,

May 2<sup>nd</sup>, the ACWA/JPIA has a day of meetings and activities including a Board Meeting that our representatives attend (due to our membership in the JPIA for our Workers' Compensation insurance program). There is no fee to attend the JPIA's Board meeting. Director Meraz is our JPIA representative and Director Villalon is our alternate.

The pre-registration cost (before April 8<sup>th</sup>) for the full conference, including meals most days, is \$695 per person. The total expenditure for attending the conference is approximately \$1,346 per person including registration, mileage reimbursement, meals, and Director fees for four days. If a Director is approved to utilize hotel accommodations, the additional cost is approximately \$209 per night. The last day to make hotel reservations at the conference rate is April 11<sup>th</sup>, and the last day to receive the early registration discount is April 8<sup>th</sup>. Costs will be less per person if an attendee does not attend all the days of the conference and attendees carpool.

The Board of Directors must approve any Directors' participation when representing the District in any official capacity and for them to receive expense reimbursement for any eligible expenses per District policy.

Directors Meraz and Villalon stated that they would both like to attend only the ACWA/JPIA Board meeting in the afternoon of Monday, May 2<sup>nd</sup>. Directors Alcorn, Hill, and Johnson, and General Manager Ridenhour, stated that they would like to attend the conference. General Manager Ridenhour stated that he will travel back and forth and will not be utilizing hotel accommodations.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 5-0, the Board authorized Board members and the General Manager to attend the Association of California Water Agencies Conference (ACWA) and the ACWA/Joint Powers Insurance Authority (JPIA) meeting May 2 – 6, 2016 in Monterey, California.

## **H. BOARD COMMITTEE and STATUS REPORTS**

- 1. Governance Committee:** No meeting held.
- 2. Water/Wastewater Committee:** Director Johnson prepared a written report stating that the committee (Directors Villalon and Johnson) met with staff (General Manager Ridenhour and Assistant Engineer Hillebrecht) on February 29, 2016 along with Program Manager Harry Blohm. Considerable discussion focused on the preliminary design of the cross-town pipeline, which is being considered concurrently with the Master Plan Update. The budget for the project was reviewed and a contract for the preliminary design phase was brought to the Board this evening for consideration. Items emphasized during the discussion was the project cost sharing by the District and the City; the distance covered by the pipeline and the planned route down Riverside Dr.; possible route of the pipeline; sites of Wells 2, 5 and 4, and the inactive well 6; requirements to be met for the California Division of Drinking Water; and the potential location of District pipeline to tie systems together.

General Manager Ridenhour provided a general overview of the new development anticipated for 2016, explaining the projected number of new connections and the revenue created from the connections.

Concern of Chromium 6 at the District Well #8 was discussed and the current treatment and testing plans were reviewed.

General Manager Ridenhour and Assistant Engineer Hillebrecht updated the committee on the West Hills Water Treatment Plant construction and then took a tour of the construction

site the next day with Director Johnson (Director Villalon unable to join on that day, but was given a tour another day). Program Manager Harry Blohm accompanied the group for the tour and offered information on the current work being done.

3. **Finance Committee:** Finance Manger Cathy Buck reported that the committee met on February 24<sup>th</sup> to review and discuss Governmental Audit Engagement Letter from McGilloway, Ray, Brown & Kaufman for audit services for the next five years. The committee agreed to continue with the same audit firm so staff will bring a Professional Services Contract to the Board at the April Board meeting for consideration.
4. **Policy and Procedure Committee:** Finance Manager Cathy Buck reported that the committee met on February 23<sup>rd</sup> to review Chapter 4 – Operational Considerations, of the Personnel Policies and Procedures Manual. She stated that the committee has one more chapter to review and then they will be passing the policy on to the Attorney’s for their review. The committee also reviewed the Board Meeting Agenda format and decided to continue with current format.
5. **Personnel Committee:** No meeting held.
6. **Water Resources Association of San Benito County (WRA):** No meeting held.
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 February 29, 2016), Statement of Income (thru January 31, 2016), and Investment Summary (thru February 29, 2016).

Ms. Buck pointed out that the District has received thirty-eight water capacity fees in February 2016, bringing the total to ninety-five water capacity fees received this fiscal year. Ms. Buck also noted that the automatic payment customers is continuing to grow, in large part due to the new customer deposit policy. Water sales revenue for February is up slightly compared to last month.

The District’s Investment Summary report reflects the total cash balance as of February 29, 2016 of \$9,577,329.73, which includes eight-months posted interest totaling \$15,896.01 (which is the equivalent of 11 months interest, since the LAIF interest received in July is for the last quarter of last fiscal year). Ms. Buck reported that she transferred \$500,000 from the District’s checking account to LAIF on March 3<sup>rd</sup>.

General Manager/Secretary Ridenhour reviewed the February 2016 Maintenance Staff Report, and asked if the Board had any questions. Mr. Ridenhour pointed out item #7 regarding vessel # 3 at the Lessalt Water Treatment Plant, and noted it has been cleaned and the Granular Activated Carbon has been replaced after the oil leak back in January, and the filter is up and running again.

Director Johnson commented that #1, regarding continuing education webinar regarding the Total Coliform Rule with Maintenance staff, was important to note that they are keeping up to date with the current education, and General Manager/Secretary Ridenhour stated that Jim Filice is very good with the continuing education programs for maintenance staff and that staff also needs the continuing education hours to maintain their certifications. Director Johnson also asked about #14, attend SCADA System kick off meeting at the West Hills Water Treatment Plant, and General Manager/Secretary Ridenhour explained that was with the subcontractor, and the purpose of the meeting was

to show them the Lessalt Water Treatment Plant so that the plan for West Hills would mirror the plan at Lessalt.

President Hill asked if #3, working with San Benito County Agriculture Department to renew our restricted material use permit, and #15, completing weed spraying through the District, were related. General Manager/Secretary Ridenhour responded that it is, staff must maintain a license to use the restricted materials for spraying.

In review of the Meter Reading Report for the period January 14, 2016 to February 16, 2016, the intertie meter data indicates the City received 31.9% of Lessalt Water Treatment Plant water, while the District received 68.1%. Mr. Ridenhour stated that the City of Hollister has paid back a little more water owed to the District.

General Manager/Secretary Ridenhour reviewed the groundwater level report, and noted the water levels are holding steady.

**Active Tasks Update:** General Manager/Secretary Ridenhour updated the Board on the Water Conservation task, stating that the District's conservation numbers are below the State's mandates for a fourth month, but conservation was still at 32.2% since June, 2015. Mandated water conservation measures by the State have been extended through October 2016. The District's mandated conservation has been reduced to 26% below 2013 levels and may be reduced again in April depending on State drought conditions. Mr. Ridenhour provided the Board with a Reservoir Conditions graph which shows the current reservoir levels as of midnight March 14, 2016. Some of the reservoirs involved with the Central Valley Project are Shasta which is at 81%, Trinity Lake at 46%, and Folsom Lake at 72%. Director Johnson asked General Manager/Secretary to begin tracking the high-speed rail project money proposed to be used to build new reservoirs.

At the West Hills WTP, part of the filter structure foundation, the tank foundation, and pump station foundation have been completed while forming of the filter structure walls and tank walls continues. General Manager/Secretary Ridenhour stated that a tour is being planned in April for the Governance Committee.

Mr. Ridenhour updated the Board on the Chromium 6 issue at the District's Well #8 and stated that the well tested above State limits again in February. Mr. Ridenhour submitted a request to take the well off-line and put it on standby with the Division of Drinking Water to ensure the District stays in compliance with State standards.

## **I. BOARD and STAFF REPORTS**

- 1. Directors:** Director Villalon prepared a written report on attending the Water Education for Latino Leaders (WELL) Annual Conference in San Jose on March 4-5, 2016.

Director Villalon explained that in 2012, a group of Latino water experts and community organizers from around California began meeting to create Water Education for Latino Leaders (WELL). The leaders represent perspectives gained from experience at National, State, Regional, and local water agencies; environmental justice groups; conservation groups; and local political organizations.

The group's mission is to convene a statewide educational conference for California's State and Local Latino elected officials to provide a forum for baseline knowledge about California's water system to ensure effective participation in long-term water policy forums that will result in equitable and sustainable actions to ensure both an economy that works and an environment that is protected.

Director Villalon reported that the topics for the conference were “The Basics of California Water” which gave a history of governance of water; basics of California water infrastructure and finance; and reported on the California Civic Engagement Project and California’s changing demographics. Day two of the conference was “Leadership and Issues” which covered storm water and who is responsible for this resource; address by State-Elect of the California State Assembly on water bonds; and California’s human right to water and who pays. Director Villalon concluded with his belief that this was a worthwhile conference and would recommend it for others to attend future events.

**2. District Counsel:** No report.

**3. Finance and Human Resource Manager:** No report.

**4. Assistant Engineer:** Assistant Engineer Rob Hillebrecht reported that construction has slowed down due to the rains, and added that the Lompa property, which is located behind Well #8, has begun to get active again with future development planning.

**5. General Manager:** No report.

**J. FUTURE AGENDA ITEMS:** Professional Services Contract for the District audit firm covering the next five years of audits.

**K. ADJOURNMENT:** President Hill adjourned the meeting at 6:35 p.m.

**APPROVED BY THE BOARD:** s/ Kathleen A. Hill  
Kathleen A. Hill, President

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