

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
May 12, 2011

A. CALL TO ORDER: The meeting was called to order at 5:15 p.m. by President Meraz, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

B. ROLL CALL: Present: President Dave Meraz, Vice President Doug Keck, Dawn Anderson, Dave Clapham, and Danny Villalon. **Others present:** Secretary Bryan Yamaoka and Attorney Christine Kemp.

Others present for Open Session: District Engineer Ken Girouard, Finance & Human Resource Manager Cathy Buck, Water Superintendent Jim Filice, Executive Assistant Carol Porteur, and meeting stenographer Laura Wiener-Smolka.

C. EXECUTIVE SESSION: None.

D. ACTION ITEMS DISCUSSED IN EXECUTIVE SESSION AND ACTIONS TAKEN IN OPEN SESSION: None.

E. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS: There were no public comments for *non-agendized* items and there were no introductions.

F. READING OF MINUTES: Upon motion made by Director Keck, seconded by Director Villalon, and unanimously carried, the April 6, 2011 special meeting minutes, and the April 14, 2011 regular meeting minutes were approved.

G. OLD BUSINESS:

- 1. RECEIVE, DISCUSS, AND TAKE APPROPRIATE ACTION IN RESPONSE TO LETTER REQUESTING WATER AND SEWER SERVICE FOR A COMMERCIAL SHOPPING CENTER PROPOSED BY RIDGEMARK GOLF AND COUNTY CLUB:** Engineer Girouard stated this is a continuation of a previous agenda item where Ridgemark Golf & County Club has requested water and wastewater service for a commercial development on Ridgemark Drive. He explained that staff has physically reviewed the backyards of the Villa Pacheco development and has determined that some of the existing improvements have encroached upon the existing public utility easement, including the sewer line easement. Therefore, staff does not recommend using the existing Villa Pacheco 6" sewer line in the backyards unless there is a great and immediate necessity to do so. Mr. Girouard stated that staff believes the best option is to have the developer connect to the proposed manhole and to dedicate a 10' wide Public Utility Easement adjacent to, and contiguous to, the existing Public Utility Easement in the backyards of Villa Pacheco without an 8' tall concrete wall.

Mr. Girouard stated that staff did attend the Villa Pacheco Homeowners Association meeting and explained the proposed development and possible future development options. Director Keck reported he spoke with Mr. Schallhorn, President of the Villa Pacheco Homeowners Association today, and that he and some of the other homeowners agreed that the option presented by Mr. Girouard was reasonable.

Upon motion made by Director Keck, seconded by Director Anderson, and unanimously carried, the Board approved water and sewer service for a commercial shopping center proposed by Ridgemark Golf and Country Club.

H. NEW BUSINESS

1. RECEIVE, DISCUSS, AND TAKE APPROPRIATE ACTION ON AUDIT PRESENTATION BY ROB SMILEY, CPA, PRINCIPAL WITH BERGER/LEWIS ACCOUNTANCY CORPORATION FOR:

- a. Sunnyslope County Water District - Fiscal Year Ended 6/30/2010, and
- b. Hollister-Sunnyslope Water Treatment Agency - Fiscal Year Ended 2/28/2010.

Sunnyslope County Water District - Fiscal Year Ended 6/30/2010:

Cathy Buck introduced Rob Smiley, CPA and Principal, from the Berger/Lewis Accountancy Corporation to present the annual audit reports. Mr. Smiley prefaced his report by explaining the audit process and the contents of the Audit Findings letter addressed to the Board, which he explained is a required communication under auditing standards that is done at the end of the audit process. Mr. Smiley noted that legal requirements dictate much of the letter's content and topics. He pointed out that auditors do not review every transaction of the fiscal year, and that there are sensitive areas where management's estimates are reported in the financial statements, such as for depreciation expense. Mr. Smiley also commented that certain financial statement disclosures are particularly sensitive because of their significance to financial statement users, the two affecting the District being the significant Bond debt on the books and on credit risk. Mr. Smiley stated that Cathy Buck prepared the financial reports which were reviewed, and that in working with District management and staff he encountered no difficulties or disagreements.

Mr. Smiley went on to explain that the audit starts with a required entrance conference with management. It is a chance to discuss the approach the audit will take so they can form their opinion; to discuss any new audit requirements; and to consider any audit risks, including inherent risks and internal controls. Field work is done at the site; the client (Cathy) prepares the financial statements; the auditors make sure everything ties to the audit work they perform; and the auditor issues their opinion in the Independent Auditor's Report to the Board, which is a required communication.

He then went over the Independent Auditor's Report, which is the letter on page 1 of the audited financial reports. He explained that the first paragraph covers what time period was audited, the second paragraph describes what audit standards were used to conduct the audit, the third paragraph gives the auditor's opinion, which is a clean opinion (that the District's financial statements fairly represent the financial position of the District), the fourth paragraph discusses the Management's Discussion and Analysis section of the report and explains the auditor's limited responsibilities for the information presented; and the final and fifth paragraph discusses the supplementary information presented with the audited financial statements, and again explains the auditor's limited responsibilities for this information and that they express no opinion on the supplementary information.

Mr. Smiley explained the Management's Discussion and Analysis (MD&A) is really for the non-technical readers of the financial statements with the goal to present the information in a more narrative format for people not used to looking at financial statements. He encouraged the Board to read the MD&A; he stated that the remainder of his report will be comments on highlights and items of note in the audited portion of the report; and he invited the Board to feel free to interrupt him at any point if questions arise related to any pages in the audit report.

Mr. Smiley stated that the Balance Sheets present information on the current financial health of the District and that a comparison of current assets to current liabilities as of June 30, 2010 and shows a 1.75 coverage ratio, which is down from a 2.5 coverage ratio the previous year. He pointed out that the District is capital asset intensive. He explained that over the past two years the District spent almost \$4 million for the purchase of fixed assets (capital improvements). He commented that the credit position of the District is strong due

to recurring monthly revenues that provide an ongoing cash flow. In addition, the District's cash and receivables total \$3 million and investment in fixed assets totals more than \$22 million.

Mr. Smiley stated that the financial reports confirm the District is able to pay all of its current bills and liabilities; however, a shortcoming of the audit is that it is based on past financial experience and cannot anticipate future financial needs of an entity. He noted that the current liabilities vary depending on the timing of payments and that the balance sheet is looking at just one day in time. Also, there was no new debt issued during the fiscal year and nothing unusual to report.

During review of the Statement of Revenues, Expenses, and Changes in Net Assets, Mr. Smiley pointed out that even though the District had implemented rate increases during the year, water production was down enough to result in slightly lower water sales revenues this year compared to the prior year. He mentioned that more details for the operating expense section could be found in the supplementary schedules. He noted the non-operating revenues and expenses section shows a loss on abandoned capital projects of \$150,022, which was a clean up in the financial records of old projects no longer being pursued. The change in net assets reflects a loss of \$41,685 for the fiscal year 2010, compared to the previous year's gain of \$430,030. He stated that if the write-off of abandoned capital projects was factored back into the financial statement, it would have showed a gain for the year instead of a loss.

During Mr. Smiley's review of Statements of Cash Flows, he noted that this report tends to be a test for accountants. It attempts to show how cash was used by the District from year to year. He pointed out that the "Net Cash Provided by Operating Activities" shows the cash generated by the operations of the District and generally that money is spent on capital assets such as equipment.

Mr. Smiley directed attention to the Notes to Financial Statements, stating that generally they are for technical readers who want to see the "Big Picture" of the organization.

He pointed out that Note C- Property, Plant and Equipment, is important to look at with a capital intensive industry because it reminds us of the long-range plan needed to maintain these items. He pointed out that the financial statement note shows us the additions and disposals of capital assets, which have taken place in the past; but does not reflect the cost of what needs to be done to improve and upgrade the plant and equipments needs in the future, or how the District will pay for those costs. Mr. Smiley stated that it is prudent to develop a long-term plan that includes a cost analysis and financing methods.

Mr. Smiley reviewed Note E-Bonds Payable and Note F-Loans Payable, commenting that it is prudent for Boards to consider significant interest rate fluctuations and options for refinancing, as well as pending balloon payments and any other significant issues related to debt.

During review of Note H-Post Retirement Benefits, Mr. Smiley talked about the importance of reviewing CalPERS rates and trends. He suggested the District appoint someone in the organization to follow CalPERS discussions and planning and make reports to the Board.

Reviewing Note I-Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits, Mr. Smiley noted that District funds are safe with LAIF and FDIC insured or collateralized bank deposits. He suggested that the Board discuss investment risks and investment policy on an annual basis.

Hollister-Sunnyslope Water Treatment Agency - Fiscal Year Ended 2/28/2010:

Mr. Smiley noted that the communication letter to the Board is prepared at the end of the audit and its purpose is to report any significant audit findings. He stated that the Water Treatment Agency is also capital intensive and that depreciation expense reflected in the financial statements is again based on management's estimates.

He stated that the Independent Auditor's Report on page 1 of the report has the same structure and contents as discussed for the District's audit report; the most important is the third paragraph which gives the auditors opinion, which is clean and states the financial statements present fairly the financial position of the Agency.

He noted the Balance Sheet has a strong ratio of current assets to current liabilities. The Agency is capital intensive with net property, plant, and equipment of \$3.2 million and that it faces the same challenge to prepare for future repair and replacement needs including how to pay for those needs.

He noted that on the Statement of Revenues, Expenditures, and Changes in Net Assets that the Agency had an expensive purchase of additional water during the year. In September, the Agency purchased 300 acre feet of water at \$375 per acre foot instead of the normal \$180 per acre foot charge. He noted that it did not affect the bottom line as the expenses are billed out one-half to Sunnyslope County Water District and one-half to the City of Hollister.

During review of Note B – Property, Plant, & Equipment, Mr. Smiley noted that the Agency had expenditures of \$150,545 for capital assets.

Mr. Smiley touched on Note C – Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits, and noted the Agency's funds are very safe with FDIC insured or collateralized bank deposits. Director Villalon asked what is at risk on cash deposits. Mr. Smiley explained that LAIF is not FDIC insured and invests funds in money market accounts and other market accounts; therefore there is some risk. He stated that public agencies in other states have experienced issues with their LAIF investment, and there could be concerns if multiple agencies made withdrawals of very large sums all at the same time because LAIF's investments are based on a long-term holding time. California has strict conservative guidelines for investment of public funds. Mr. Smiley said that while there is some risk there, it is not considered a large risk.

Upon motion made by Director Anderson, seconded by Director Keck, and unanimously carried, the Board accepted audits for Sunnyslope County Water District fiscal year ended June 30, 2010 and Hollister-Sunnyslope Water Treatment Agency fiscal year ended February 28, 2010, as presented.

2. RECEIVE, DISCUSS, AND TAKE APPROPRIATE ACTION TO ACCEPT REQUEST TO EXTEND SPHERE OF INFLUENCE AND WATER SERVICE BOUNDARY TO PROPERTIES OWNED BY THE FOLLOWING:

- Bray (APN 020-280-015)
- Brigantino (APNs 020-280-041 & 043)
- Ordiniza (APN 020-280-042)
- City of Hollister (APN 020-290-041)
- Corotto (APN 020-290-043)
- Lompa (APN 020-290-044)
- Lico & Greco (APNs 020-290-045 & 046)
- Brigantino & Lompa (APN 020-320-007)

Engineer Girouard provided a map highlighting the parcels belonging to the above named property owners who have requested that Sunnyslope County Water District (SSCWD) extend the sphere of influence and water service boundary to include their properties.

Sunnyslope staff added the City of Hollister parcel for the wastewater pump station and the Ordiniza parcel to the proposed annexation in order to avoid creating an island of non-service within the proposed Sunnyslope service area.

During discussion, Secretary Yamaoka noted that the District's sphere of influence boundaries are almost identical to its water service boundaries. He also stated that the City of Hollister does not object to the request for inclusion in the District's water service boundary; that the City will provide sewer service. Attorney Kemp noted that District approval is the first step in the process of the developers' request for LAFCO approval of annexation.

Upon motion made by Director Anderson, seconded by Director Clapham, and unanimously carried the Board approved the annexation request to extend the District's Sphere of Influence and Water Service Boundary for the properties listed.

3. RECEIVE, DISCUSS, AND TAKE APPROPRIATE ACTION TO REQUEST PRICE QUOTES TO PERFORM AN ENVIRONMENTAL REVIEW PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR A SPHERE OF INFLUENCE AND WATER SERVICE BOUNDARY ANNEXATION FOR THE FOLLOWING PROPERTIES:

- Bray (APN 020-280-015)
- Brigantino (APNs 020-280-041 & 043)
- Ordiniza (APN 020-280-042)
- City of Hollister (APN 020-290-041)
- Corotto (APN 020-290-043)
- Lompa (APN 020-290-044)
- Lico & Greco (APNs 020-290-045 & 046)
- Brigantino & Lompa (APN 020-320-007)

Engineer Girouard stated if we were to annex the properties listed above to the District's Sphere of Influence, that staff would recommend conducting an environmental review of the project. Staff suggests that an outside consulting firm be engaged to perform the environmental review, and the costs of the review would be passed on to the eventual property owners in proportion to the land size.

President Meraz asked when the property owners would pay the District back and if it would be a financial burden. Secretary Yamaoka estimated the cost of the environmental review to be \$25,000 to \$35,000, and stated that the District can bill the developers at any point, but it is usually done at the end of the process.

Upon motion made by Director Villalon, seconded by Director Anderson, and unanimously carried the Board approved a request for price quotes for an environmental review of the requested annexation, the cost of which which will be reimbursed to the District by the developers.

4. RECEIVE, DISCUSS, AND TAKE APPROPRIATE ACTION ON ANDERSON PACIFIC'S REQUEST TO HAVE DISTRICT ACCEPT STEVENS CREEK QUARRY CONSTRUCTION AS THE GRADING AND PAVING SUBCONTRACTOR UNDER ANDERSON PACIFIC'S CONTRACT FOR THE RIDGEMARK WASTEWATER TREATMENT AND RECYCLED WATER IMPROVEMENT PROJECT, PHASE I: Engineer Girouard explained that due to a clerical error, Stevens Creek Quarry Construction was left off of the subcontractors list presented by Anderson Pacific Engineering Construction for the Ridgemark Wastewater Treatment and Recycled Water Improvement Project. He explained that the proposal included the cost for grading and paving work, therefore adding Stevens Creek Quarry

Construction would not alter the actual bid price, it would just be recognizing them as a subcontractor. Mr. Girouard stated Sunnyslope Water has received three legal affidavits signed by Anderson Pacific Engineering Construction, Stevens Creek Quarry Construction and Kenneth Girouard of Sunnyslope County Water District attesting to the fact that it was a clerical error.

Attorney Kemp stated that her legal firm feels it is prudent to acknowledge on record the three affidavits of the clerical error omitting the name of Stevens Creek Quarry Construction as the subcontractor in the bid of Anderson Pacific which was previously accepted by the Board.

Upon motion made by Director Keck, seconded by Director Anderson, and unanimously carried, the Board approved modification of Anderson Pacific's bid document which corrects the clerical error and names Stevens Creek Quarry Construction as its paving and grading subcontractor.

I. BOARD AND STAFF COMMITTEE STATUS REPORTS:

1. **Water/Wastewater Committee:** Director Keck reported that the committee went to the Regional Water Quality Control Board (RWQCB) office in San Luis Obispo and spoke with representatives about a water softener ordinance. The Regional Board representatives will be sending sample ordinances for review. Mr. Girouard stated that he has not received the proposed ordinance from them at this point, but they did send the notice of violation. Director Keck commented on the Regional Board's notice of violation by saying yes we are in violation, but the Regional Board is pleased with our progress and we are currently in their good graces; they could issue fines and penalties.

Director Villalon noted that the Regional Board would like a regional water softener ordinance, but he is not sure how San Juan Bautista and Tres Pinos will be handled. Director Keck commented that the City and Sunnyslope are coordinating activities with the County on developing a water softener ordinance in coordination with the Governance Committee. Director Clapham asked about how to enforce a water softener ordinance. Director Keck noted that Santa Barbara implemented an ordinance with stiff penalties for violations. He suggested that rebates could be offered on the sewer bill if people signed an affidavit that their water softeners had been removed, and gave permission for onsite inspections.

2. **Governance Committee:** Engineer Girouard reported that a meeting was held with the City regarding the Lessalt Treatment Plant upgrade. The next Governance Committee meeting is scheduled for 6:00 p.m., on June 18, 2011, at the San Benito County Water District Board meeting room.
3. **Finance Committee:** Director Clapham reported that the Finance Committee met and discussed the budget format, which was decided to leave the same as currently reported to the Board, and discussed the fiscal year 2010 audits.
4. **Policy & Procedures Committee:** Director Anderson reported that the committee met, but had to reschedule another meeting, which will be on May 18th, because Director Keck and Secretary Yamaoka were unable to attend.
5. **Water Resources Association of San Benito County:** Director Anderson reported that the WRA met on May 5th. Shawn Novack gave his report and he will have an exhibit at Spotlight on San Benito County. She noted that only four people have participated in the water softener rebate program this month. Secretary Yamaoka reported that the water softener rebate program would be ending in 2012, and asked if the City, SBCWD, and SSCWD want to kick in money and extend the program. Director Anderson suggested that

there could be an education outreach to school children with an emphasis on bringing the information home to their parents.

6. **Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** Engineer Girouard reported that the contract was signed for the project, the notice to proceed was being prepared, and the project should start within a month. Secretary Yamaoka asked the Board if they would like to have regular tours of the project once it gets underway, and it was agreed to do so.
7. **State Revolving Fund and Stimulus Package Financing:** Engineer Girouard reported that there is progress on the potable water project and that staff responds to ongoing information requests from the State.
8. **Lessalt Water Treatment Plant:** Engineer Girouard reported that at the next Governance Committee meeting there will be discussion on the treatment plant technologies and sizing.
9. **Water Related Projects:** Jim Filice reported that PAX Water Technologies has installed the solar panels for electrical power and are installing the mixers at the Fairview water storage tanks; a project approved by the Board about six months ago. Engineer Girouard commented on the use of the nozzles to add chlorine and prevent stratification through use of the mixers. He stated that the system has the potential to lower trihalomethane levels.
10. **District Operation Summary, Statement of Income, and Investment Summary; Lessalt Water Treatment Agency Investment and Disbursement Summaries; District Maintenance, Meter Reading, and Groundwater Level Reports:** Cathy Buck noted that the District Operations Summary has been adjusted to fit on one page, and now the back side shows last year's Operations Summary data; had nothing significant to note; and asked for any questions, which there were none.

She reviewed the Statement of Income and noted that March water sales are less than last month, which is most likely due to the rainy weather, but is still up compared to March of 2010, which is probably due to the rate increase. Otherwise, she had nothing significant to report. There were no questions.

During review of the Investment Summary Ms. Buck reported that she transferred funds into the highest paying CD's, which moved funds from a 0.66% to a 1.05% interest rate. She also explained that with LAIF, she does not know how much interest is paid until the end of the quarter, but that it is usually quite comparable to what we receive on the CD's. During her report Ms. Buck noted that the District's fund balance as of April 28 is \$1,788,657.13, which includes ten months' earned interest totaling \$10,252.15.

The Board reviewed financial reports for the Lessalt Water Treatment Agency, including the April 13 to May 10, 2011 Disbursement Summary totaling \$112,034.07. Director Anderson questioned check #2297, issued to US Bank Corporate Payment Systems. Cathy Buck explained that the Sunnyslope County Water District credit card was used to purchase something for Lessalt, so the check was issued to pay the credit card bill.

The Lessalt Water Treatment Agency Investment Summary ending April 30, 2011, reflects a fund total of \$1,752,562.50, which includes \$1,989.30 fiscal year-to-date (two months) interest earned. She reported that she has moved \$508K from the Certificate of Deposit paying 0.30% to a 0.87% CD. Director Keck asked how long before the money in the Membrane Certificate of Deposit account will be used and Engineer Girouard responded it will be used with the upgrade and replacing of the old membranes.

During review of the April Maintenance Report, Jim Filice responded to questions from Board members about details regarding various items in the report. In response to Director

Keck's question about item #21 in the report regarding fire hydrant repairs, Mr. Filice explained that the hydrant is the dry barrel type and it had a broken shaft coupling. He stated that there are approximately 700 hydrants in the District's system that require periodic flushing and noted that last month maintenance staff flushed 64 hydrants. In response to Director Villalon's question, Mr. Filice stated there are 2,600 valves in the system and last month staff exercised 112 valves; since July 1, 2010, 342 valves have been exercised. Director Villalon suggested using the City's interns to help with tasks such as exercising valves and flushing hydrants.

Jim Filice reviewed the Meter Reading Report, now titled Intertie Water Balance, for the period March 16 to April 15, 2011, and noted intertie meter data indicates during that period the City received 56.2% of Lessalt water, while the District received 43.8%. Year-to-date, the City received 52.3% of Lessalt water, and the District received 47.7%.

During review of the groundwater level report, Mr. Filice noted that well levels are starting a downward trend as customers have begun the irrigation of their landscaping.

J. ALLOWANCE OF CLAIMS: The Board reviewed the District's Disbursement Summary for the period April 13 through May 10, 2011, and Cathy Buck answered several questions about listed items. Director Anderson questioned the April 29th ACH payment to "EFTPS" and Cathy Buck explained that it is our Federal payroll tax deposit, which we are now required to transmit electronically instead of depositing by check at San Benito Bank. President Meraz asked about the May 3rd ACH payment for "Merchant Services", and Ms. Buck explained it is our April fees for accepting credit card payments, which they deduct electronically from our account.

Upon motion made by Director Keck, seconded by Director Anderson, and unanimously carried, the Board approved the disbursements totaling \$720,385.52, which includes: \$393,263.81 for employee compensation and accounts payable; \$324,455.58 to the City of Hollister for sewer bills collected; and \$2,666.13 for customer refunds and returned checks. Last check written as of May 9, 2011 was #16199.

| <u>Date</u> | <u>Num</u> | <u>Name</u> | <u>Amount</u> |
|-------------|------------|------------------------|---------------|
| 4/13/11 | ACH 0144 | RETURNED CHECK | -125.52 |
| 4/13/11 | ACH 0145 | RETURNED CHECK | -285.08 |
| 4/15/11 | ACH 0146 | RETURNED CHECK | -130.00 |
| 4/15/11 | ACH 0147 | RETURNED CHECK | -142.00 |
| 4/15/11 | ACH 0148 | RETURNED CHECK | -145.06 |
| 4/29/11 | ACH 0149 | EFTPS | -20,573.46 |
| 4/19/11 | ACH 0150 | RETURNED ACH | -118.41 |
| 4/20/11 | ACH 0151 | RETURNED CHECK | -265.00 |
| 4/20/11 | ACH 0152 | RETURNED CHECK | -128.84 |
| 4/21/11 | ACH 0153 | RETURNED CHECK | -150.00 |
| 4/21/11 | ACH 0154 | RETURNED CHECK | -211.62 |
| 4/25/11 | ACH 0155 | San Benito Bank | -475.15 |
| 4/22/11 | ACH 0156 | RETURNED CHECK | -265.33 |
| 4/22/11 | ACH 0157 | RETURNED CHECK | -181.00 |
| 4/26/11 | ACH 0158 | RETURNED CHECK | -124.47 |
| 4/28/11 | ACH 0159 | RETURNED CHECK | -120.43 |
| 5/3/11 | ACH 0160 | Merchant Services | -567.36 |
| 4/29/11 | DD 0250 | Alvarez, Abel | -3,889.57 |
| 4/29/11 | DD 0251 | Brill, Kelly L. | -4,346.74 |
| 4/29/11 | DD 0252 | Buck, Cathy L. | -6,505.49 |
| 4/29/11 | DD 0253 | Castro, Kevin G. | -3,635.80 |
| 4/29/11 | DD 0254 | Chavez, Jr., Manuel T. | -4,997.43 |
| 4/29/11 | DD 0255 | Eclarin, Ernesto P. | -4,207.24 |
| 4/29/11 | DD 0256 | Estrada, Thomas A. | -3,939.99 |
| 4/29/11 | DD 0257 | Filice, James L. | -6,953.55 |
| 4/29/11 | DD 0258 | Girouard, Kenneth R. | -6,354.25 |

| Date | Num | Name | Amount |
|-------------|------------|---|---------------|
| 4/29/11 | DD 0259 | Hagins, Patrick M. | -4,441.72 |
| 4/29/11 | DD 0260 | Imperatrice, Patrick L. | -5,475.75 |
| 4/29/11 | DD 0261 | Jackson, Patrick W. | -6,108.81 |
| 4/29/11 | DD 0262 | Norman, III, Walter R. | -5,202.98 |
| 4/29/11 | DD 0263 | Padilla, David | -4,786.66 |
| 4/29/11 | DD 0264 | Porteur, Carol A. | -3,588.11 |
| 4/29/11 | DD 0265 | Robson, Ann | -2,583.41 |
| 4/29/11 | DD 0266 | Watson, Scott A. | -3,779.44 |
| 4/29/11 | DD 0267 | Yamaoka, Bryan M. | -9,024.24 |
| 4/29/11 | DD 0268 | Zavala, Anabel G. | -4,124.67 |
| 4/29/11 | DD 0269 | Jackson, Norma | -325.66 |
| 5/10/11 | DD 0270 | Clapham, David G. | -300.00 |
| 5/10/11 | DD 0271 | Keck, Doug (Dir. Dep.) | -500.00 |
| 5/10/11 | DD 0272 | Meraz, David (Dir. Dep.) | -300.00 |
| 5/10/11 | DD 0273 | Villalon, Daniel | -500.00 |
| 5/10/11 | DD 0274 | Wiener-Smolka, Laura S. (Dir. Dep.) | -200.00 |
| 4/18/11 | 16124 | A-1 Services | -373.00 |
| 4/18/11 | 16125 | Ben Caputo Printing | -140.93 |
| 4/18/11 | 16126 | Bianchi Kasavan & Pope, LLP | -270.00 |
| 4/18/11 | 16127 | Hollister-Sunnyslope W. T. A. | -33,371.07 |
| 4/18/11 | 16128 | John Smith Landfill | -10.00 |
| 4/18/11 | 16129 | Kennedy/Jenks Consultants | -1,355.00 |
| 4/18/11 | 16130 | OnTrac | -34.50 |
| 4/18/11 | 16131 | South Valley Internet, Inc. | -17.95 |
| 4/21/11 | 16132 | Postmaster | -260.29 |
| 4/26/11 | 16133 | 3T Equipment Company Inc. | -176.69 |
| 4/26/11 | 16134 | B S K Analytical Laboratories, Inc. | -1,342.00 |
| 4/26/11 | 16135 | Ben Caputo Printing | -1,250.00 |
| 4/26/11 | 16136 | Everbank Commercial Finance, Inc. | -257.85 |
| 4/26/11 | 16137 | Hansen & Co., Inc. | -6,000.00 |
| 4/26/11 | 16138 | Kinetic Energy Systems Corporation | -501.29 |
| 4/26/11 | 16139 | Noland Hamerly Etienne & Hoss | -7,798.88 |
| 4/26/11 | 16140 | P G & E | -2,971.40 |
| 4/26/11 | 16141 | Radio Shack (Crystal T.V.) | -19.64 |
| 4/26/11 | 16142 | Razzolink.com | -115.90 |
| 4/26/11 | 16143 | RB Communications | -1,004.92 |
| 4/26/11 | 16144 | San Benito County Water District | -49,675.02 |
| 4/26/11 | 16145 | Toro Petroleum Corp. | -1,718.32 |
| 4/26/11 | 16146 | Union Bank of CA, Corp Trust Div (LA) | -2,880.35 |
| 4/29/11 | 16147 | Employment Dev. Dept. (EDD) DE88 Pmts. | -8,799.64 |
| 4/29/11 | 16148 | CalPERS - Retirement | -1,587.18 |
| 4/29/11 | 16149 | Nationwide Retirements Solutions | -13,056.44 |
| 4/29/11 | 16150 | VOID - BAC (Beneficial Admin. Company) | 0.00 |
| 4/29/11 | 16151 | CalPERS - Health Insurance | -13,120.75 |
| 4/29/11 | 16152 | CalPERS - Retirement | -35,699.08 |
| 4/29/11 | 16153 | Fort Dearborn Life Insurance Co. | -234.00 |
| 4/29/11 | 16154 | Premier Access Insurance Co. | -2,837.89 |
| 4/29/11 | 16155 | State Comp. Insurance Fund | -5,387.19 |
| 4/29/11 | 16156 | Postmaster | -1,727.12 |
| 4/29/11 | 16157 | BAC (Beneficial Administration Company) | -283.86 |
| 5/2/11 | 16158 | MATT ANGOTTI | -38.81 |
| 5/2/11 | 16159 | TERRY COGSWELL | -43.17 |
| 5/2/11 | 16160 | MICHAEL DUER | -18.02 |
| 5/2/11 | 16161 | ROBERT ESTES | -45.08 |
| 5/2/11 | 16162 | ANDREW LUTZ & MIN ZHNAAG | -98.82 |
| 5/2/11 | 16163 | AGAPE VILLAGES | -29.47 |
| 5/2/11 | 16164 | AT&T | -278.89 |
| 5/2/11 | 16165 | B.W.S. Distributors, Inc. | -248.32 |
| 5/2/11 | 16166 | Brigantino Irrigation | -160.86 |
| 5/2/11 | 16167 | CM Analytical, Inc. | -3,690.00 |
| 5/2/11 | 16168 | EBCO Pest Control | -55.00 |
| 5/2/11 | 16169 | Local Government Publications | -119.56 |
| 5/2/11 | 16170 | Mid Valley Supply | -453.46 |

| <u>Date</u> | <u>Num</u> | <u>Name</u> | <u>Amount</u> |
|----------------------------|------------|--|---------------------------|
| 5/2/11 | 16171 | O'Reilly Auto Parts | -27.98 |
| 5/2/11 | 16172 | Palace Art & Office Supply | -153.70 |
| 5/2/11 | 16173 | Petty Cash | -11.09 |
| 5/2/11 | 16174 | RMC Water and Environment | -41,903.04 |
| 5/2/11 | 16175 | San Benito Tire, Inc. | -660.37 |
| 5/2/11 | 16176 | Sierra Chemical Co. | -366.58 |
| 5/2/11 | 16177 | U.S. Bank Corporate Payment Systems | -349.88 |
| 5/2/11 | 16178 | Verizon Wireless | -270.74 |
| 5/4/11 | 16179 | Ace Hardware (Johnson Lumber Co.) | -239.44 |
| 5/4/11 | 16180 | Brigantino Irrigation | -154.85 |
| 5/4/11 | 16181 | Ferguson Enterprises, Inc. | -70.52 |
| 5/4/11 | 16182 | Groeniger & Company | -4,129.40 |
| 5/4/11 | 16183 | Mc Donald Landscaping | -165.00 |
| 5/4/11 | 16184 | Mc Master-Carr | -38.89 |
| 5/4/11 | 16185 | Mission Uniform Service | -588.38 |
| 5/4/11 | 16186 | Monterey Bay UAPC Dist | -2,870.00 |
| 5/4/11 | 16187 | Recology San Benito County | -114.27 |
| 5/4/11 | 16188 | San Benito County Water District | -173.00 |
| 5/4/11 | 16189 | Wastewater Solutions | -830.00 |
| 5/4/11 | 16190 | Wright Bros. Indust. Supply | -192.40 |
| 5/9/11 | 16191 | Anderson, Dawn V. | -100.00 |
| 5/9/11 | 16192 | California Clean Energy LLC | -3,538.74 |
| 5/9/11 | 16193 | CM Analytical, Inc. | -2,835.00 |
| 5/9/11 | 16194 | P G & E | -14,539.24 |
| 5/9/11 | 16195 | Staples | -17.79 |
| 5/9/11 | 16196 | Toro Petroleum Corp. | -1,861.76 |
| 5/9/11 | 16197 | True Value Hardware | -5.07 |
| 5/9/11 | 16198 | Wright Bros. Welding & Sheet Metal, Inc. | -84.96 |
| 5/9/11 | 16199 | City of Hollister-Finance Dept | -324,455.58 |
| Total Disbursements | | | <u>-720,385.52</u> |

K. REPORTS

1. **District Counsel:** No report.
2. **District Engineer:** No report.
3. **Finance-HR Manager:** No report.
4. **General Manager:** No report.

L. FUTURE AGENDA ITEMS: Director Clapham suggested a study session on water softener ordinances, as well as sending information to customers with the monthly billing. Secretary Yamaoka noted that the WRA will be discussing water softener ordinances with the City and is planning a public education outreach. Director Keck suggested that inviting Ridgemark residents to give input would be better timed when the District is close to completing the pipeline to deliver Lessalt water to Ridgemark.

The next regular meeting is scheduled to be held Thursday, June 9, 2011.

M. ADJOURN: Upon motion made by Director Keck, seconded by Director Clapham, and unanimously carried, the meeting was adjourned at 6:40 p.m.

APPROVED BY THE BOARD: s/Dave Meraz
 Dave Meraz, President

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