

**MINUTES**  
**Regular Meeting of the Board of Directors**  
**of the**  
**SUNNYSLOPE COUNTY WATER DISTRICT**  
**May 15, 2018**

- 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, Director Mike Alcorn, Director Ann Ross, and Director Honor Spencer. **Absent:** Director Robert J. Rodriguez II.
- C. PLEDGE OF ALLEGIANCE:** Carol Porteur led Directors, staff, and public in the Pledge of Allegiance.
- 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 – The Board reviewed the minutes for the Regular Meeting of April 17, 2018.
- 2. Allowance of Claims – The Board reviewed the Disbursement Summary for the period April 10, 2018 through May 7, 2018, totaling \$1,070,868.26 which includes: \$710,766.97 for payments to vendors and employees, \$357,035.20 paid to the City of Hollister for net City sewer billings, and \$3,066.09 for customer refunds and checks returned. The last check written as of May 7, 2018 was check #25692:

<b>Date</b>	<b>Number</b>	<b>Name</b>	<b>Amount</b>
04/13/18	ACH 1143	EFTPS	\$ -214.20
04/16/18	ACH 1144	RETURNED CHECK (Ck Ret 04-01)	-145.00
04/17/18	ACH 1145	RETURNED ACH (ACH Ret 04-01)	-144.95

Date	Number	Name	Amount
04/17/18	ACH 1146	RETURNED ACH (ACH Ret 04-02)	-141.87
04/17/18	ACH 1147	RETURNED ACH (ACH Ret 04-03)	-141.87
04/18/18	ACH 1148	RETURNED ACH (ACH Ret 04-04)	-180.62
04/18/18	ACH 1149	RETURNED ACH (ACH Ret 04-05)	-41.01
04/18/18	ACH 1150	RETURNED ACH (ACH Ret 04-06)	-91.94
04/20/18	ACH 1151	RETURNED CHECK (Ck Ret 04-02)	-196.29
04/20/18	ACH 1152	RETURNED CHECK (Ck Ret 04-03)	-251.80
04/30/18	ACH 1153	CalPERS - Retirement	-1,036.00
04/30/18	ACH 1154	CalPERS - Retirement	-2,009.04
04/30/18	ACH 1155	CalPERS - Retirement	-27,830.06
04/30/18	ACH 1156	CalPERS - Health Insurance	-15,731.19
04/30/18	ACH 1157	EFTPS	-25,011.96
04/30/18	ACH 1158	Employment Dev. Dept. (EDD) DE88 Pmts.	-10,691.85
04/25/18	ACH 1159	RETURNED CHECK (Ck Ret 04-04)	-160.00
05/03/18	ACH 1160	Merchant Services	-1,956.00
04/13/18	DD 2218	Alcorn, Michael H.	-461.75
04/13/18	DD 2219	Johnson, Judi H.	-184.70
04/13/18	DD 2220	Rodriguez, II, Robert J.	-184.70
04/13/18	DD 2221	Spencer, Honor A.	-461.75
04/30/18	DD 2222	Alvarez, Abel	-5,805.71
04/30/18	DD 2223	Bernal, Melissa M	-2,522.39
04/30/18	DD 2224	Boltz, William K	-6,662.48
04/30/18	DD 2225	Brill, Kelly L.	-4,669.31
04/30/18	DD 2226	Buck, Cathy L.	-6,433.74
04/30/18	DD 2227	Burbank, Jr., Dee J.	-4,487.48
04/30/18	DD 2228	Castro, Kevin G.	-4,926.51
04/30/18	DD 2229	Chavez, Jr., Manuel T.	-7,370.08
04/30/18	DD 2230	Eclarin, Ernesto P.	-6,351.56
04/30/18	DD 2231	Filice, James L.	-7,444.35
04/30/18	DD 2232	Hagins, Patrick M.	-4,274.48
04/30/18	DD 2233	Hernandez, Bazilio	-5,053.85
04/30/18	DD 2234	Hillebrecht, Robert B.	-4,171.25
04/30/18	DD 2235	Jackson, Patrick W.	-5,902.44
04/30/18	DD 2236	Malko, Kim A.	-3,514.03
04/30/18	DD 2237	Norman, III, Walter R.	-4,889.10
04/30/18	DD 2238	Padilla, David	-5,309.50
04/30/18	DD 2239	Porteur, Carol A.	-4,376.48
04/30/18	DD 2240	Quick, Troy E.	-3,584.04
04/30/18	DD 2241	Ridenhour, Donald G.	-10,515.27
04/30/18	DD 2242	Sanchez, Ricardo A.	-5,937.69
04/30/18	DD 2243	Watson, Scott A.	-6,648.38
04/30/18	DD 2244	Zavala, Anabel G.	-4,488.62
04/16/18	25610	Norman, III, Walter R.	-35.30
04/16/18	25611	Filice, James L.	-141.67
04/16/18	25612	All Star Ready Mix, LLC	-551.90

<b>Date</b>	<b>Number</b>	<b>Name</b>	<b>Amount</b>
04/16/18	25613	Auto Tech Service Center, Inc.	-84.66
04/16/18	25614	Bianchi Kasavan & Pope, LLP	-651.00
04/16/18	25615	Calgon Carbon Corporation	-41,257.88
04/16/18	25616	Calif. Rural Water Assoc. (CRWA)	-350.00
04/16/18	25617	City of Hollister-Finance Dept	-357,035.20
04/16/18	25618	CM Analytical, Inc.	-14,331.25
04/16/18	25619	EBCO Pest Control	-60.00
04/16/18	25620	Edges Electrical Group, LLC	-14.71
04/16/18	25621	Engineering News-Record (ENR)	-86.00
04/16/18	25622	Evoqua Water Technologies LLC (Siemens)	-3,238.95
04/16/18	25623	Hach Company	-1,596.36
04/16/18	25624	Kennedy/Jenks Consultants	-67,880.01
04/16/18	25625	Pinnacle Agriculture	-802.50
04/16/18	25626	PlaceWorks, Inc.	-2,592.50
04/16/18	25627	San Benito County Water District	-154.50
04/17/18	25628	Secretary of State	-40.00
04/23/18	25629	ABE & MARLAYNE ASSADI	-244.75
04/23/18	25630	GEORGE & MARIA CARREIRA	-238.84
04/23/18	25631	ALENA & MICHAL HOPPNER	-221.09
04/23/18	25632	MARIO & GRACIELA MARTINEZ	-85.01
04/23/18	25633	KORY & NORA POLKOWNIKOW	-49.50
04/23/18	25634	JOHN A REED	-40.04
04/23/18	25635	WENDY & JOHN SARSFIELD	-194.11
04/23/18	25636	DENISE A SIMON	-130.15
04/23/18	25637	A-1 Services	-403.00
04/23/18	25638	Brenntag Pacific, Inc.	-7,044.90
04/23/18	25639	De Lay & Laredo	-2,100.00
04/23/18	25640	Ebix, Inc.	-484.12
04/23/18	25641	Hach Company	-844.93
04/23/18	25642	Melissa Data Corp.	-1,695.00
04/23/18	25643	Radio Shack (Crystal T.V.)	-5.00
04/23/18	25644	San Benito County Water District	-260,499.27
04/23/18	25645	Transene Company Inc (Shape Products)	-147.60
04/24/18	25646	Postmaster	-153.89
04/24/18	25647	JAMES PITCHFORD & ASHLEY IANNIELLO	-255.00
04/30/18	25648	Postmaster	-2,014.58
04/30/18	25649	Nationwide Retirements Solutions	-23,756.08
04/30/18	25650	Dearborn National Life Insurance Company	-384.00
04/30/18	25651	HealthSmart Benefit Solutions, Inc. (VSP)	-323.96
04/30/18	25652	Premier Access Insurance Co.	-3,167.00
04/30/18	25653	ASHLIN P S BRADDOCK	-14.29
04/30/18	25654	STEPHEN & HANNAH HUNTER	-34.56
04/30/18	25655	NATHAN & SACHINA KERN	-30.69
04/30/18	25656	RALPH PARTNERS II LLC	-32.71
04/30/18	25657	Ace Hardware (Johnson Lumber Co.)	-220.47

<b>Date</b>	<b>Number</b>	<b>Name</b>	<b>Amount</b>
04/30/18	25658	American Water Works Association (AWWA)	-2,018.00
04/30/18	25659	AT&T	-314.29
04/30/18	25660	Brenntag Pacific, Inc.	-21,102.27
04/30/18	25661	Brigantino Irrigation	-79.46
04/30/18	25662	Central Ag Supply LLC	-1,018.34
04/30/18	25663	CM Analytical, Inc.	-10,636.25
04/30/18	25664	Corix Water Products	-4,125.16
04/30/18	25665	Don Chapin Co. Inc., The	-56.17
04/30/18	25666	Hollister Auto Parts, Inc.	-170.26
04/30/18	25667	Konica Minolta Premier Finance	-412.91
04/30/18	25668	LKQ Acme Truck Parts	-643.27
04/30/18	25669	Mc Master-Carr	-531.20
04/30/18	25670	Mid Valley Supply	-113.50
04/30/18	25671	Mission Uniform Service	-979.08
04/30/18	25672	O'Reilly Auto Parts	-53.02
04/30/18	25673	Palace Business Solutions	-1,436.34
04/30/18	25674	San Benito Tire Pros & Automotive	-20.00
04/30/18	25675	Toro Petroleum Corp.	-1,432.93
04/30/18	25676	Verizon Wireless	-295.16
05/01/18	25677	Razzolink.com	-76.95
05/07/18	25678	Ace Hardware (Johnson Lumber Co.)	-239.14
05/07/18	25679	AT&T	-441.39
05/07/18	25680	Auto Tech Service Center, Inc.	-42.33
05/07/18	25681	Bianchi Kasavan & Pope, LLP	-1,010.27
05/07/18	25682	Brigantino Irrigation	-24.58
05/07/18	25683	Corix Water Products	-3,200.23
05/07/18	25684	Grundfos CBS Inc.	-1,400.00
05/07/18	25685	Mc Master-Carr	-51.77
05/07/18	25686	OnTrac	-55.48
05/07/18	25687	P G & E	-2,500.00
05/07/18	25688	Roberts Water Technologies, Inc.	-1,965.85
05/07/18	25689	South Valley Internet, Inc.	-20.45
05/07/18	25690	Toro Petroleum Corp.	-1,308.79
05/07/18	25691	U.S. Bank Corporate Payment Systems	-2,826.46
05/07/18	25692	Wright Bros. Welding & Sheet Metal, Inc.	-1,940.74
<b>Total Disbursements</b>			<b><u>\$ -1,070,868.26</u></b>

President Johnson asked Finance & Human Resource Manager Cathy Buck to explain the Returned Check and Returned ACH amounts listed on the Disbursement Summary. Ms. Buck explained that these are checks or automatic payments that are returned for any reason, but are usually due to non-sufficient funds. The customer is then sent a door hanger notifying them of a date and time they need to get a replacement payment to us, which will also include additional service fees, and that if not received, their water will

be shut off for non-payment. Ms. Buck also stated that if a customer notifies us of the returned item prior to us sending out the door hanger, then the customer will only be charged the returned check fee and will not be charged the fee for sending the door hanger.

President Johnson stated that Ms. Buck had already answered her questions on items on the disbursement summary, but for everyone's benefit, she asked Ms. Buck to explain check #25642 to Melissa Data Corp. for \$1,695.00. Ms. Buck explained that in order for the District to get lower postage rates by using a bulk mailing permit through the US Postal Service, we need to supply a 10-digit zip code on the bills. Melissa Data Corp. is a service that provides us the ability to download the 10-digit zip codes into our MOM's billing software. Director Johnson also asked for explanation on check #25658 payable to American Water Works Association for \$2,018.00, and General Manager/Secretary Ridenhour explained that this is our annual District dues to belong to the association, which also provides training materials and our staff can also have memberships by joining the California-Nevada section of AWWA.

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

#### **G. NEW BUSINESS:**

- 1. PUBLIC HEARING (CONTINUED FROM APRIL 17, 2018 BOARD MEETING) – CONSIDER APPROVAL OF RESOLUTION NO. 549 INITIATING PROCEEDINGS FOR THE ANNEXATION OF THE RIDGEMARK BLUFFS DEVELOPMENT (APNS 025-420-005 AND 025-420-119) AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE DOCUMENTS TO SUBMIT AN APPLICATION TO LAFCO FOR THE ANNEXATION. (An EIR in compliance with CEQA was adopted and certified by the San Benito Planning Commission on April 2, 2018 via Resolution No. 2018-2):** General Manager/Secretary Ridenhour explained that this item was brought before the Board at the April 17<sup>th</sup> meeting, but due to an appeal being filed with the San Benito County Planning Commission on the annexation, the item was stayed for the environmental document and project.

The item is now before the Board, and General Manager/Secretary Ridenhour explained that in 1992, Sunnyslope County Water District entered into an agreement with the Lompa family to obtain a well site adjacent to Mark's Drive in the Ridgemark Area. This agreement allowed for the development of the District's Well #8. As a condition to obtain the well site, the District committed to supporting the annexation of the property into the service area of the District for Water and Sewer services. On April 2<sup>nd</sup>, the Ridgemark Bluffs Development proposal for the Lompa properties was tentatively approved by the

San Benito County Planning Commission, and the developer has requested the District adopt a Resolution supporting their annexation into the District boundaries. Staff has reviewed the development proposal and the necessary utility improvements, and it should be noted that additional property around Well #8 is being granted to the District as part of the project. The District has the water and sewer capacity to serve the proposed Ridgemark Bluffs Development, and is obligated by the 1992 Agreement to support the annexation request.

District staff have worked closely with the developer of the Lompa Properties and all the facilities and requirements of the District have been incorporated into the development plans. District staff have anticipated and planned for the annexation of these properties for many years and recommends support of the annexation. The Lompa properties were included in the anticipated service area for the updated Ridgemark Wastewater Treatment Plant.

It should be noted that the Ridgemark Bluffs Development has several tasks and conditions to complete, which includes annexation into the District's service area, before their project will get the final approvals for construction. All fees and costs associated with the annexation will be covered by the developer. Construction of the project will likely happen in the year 2019, or later if the developer experiences other delays.

The developer of this project, Scott Stringer of Bates Stringer Hollister LLC, was in attendance of the meeting. Mr. Stringer introduced himself to the Board and stated that the project is for 90 homes in Ridgemark and once all approvals are in place, they hope to begin construction next spring. Mr. Stringer also stated that the developer is planning to donate and expand the parcel of land that the District's Well #8 is sitting on. Mr. Stringer also stated that it has been a pleasure working General Manager Ridenhour and Assistant Engineer Hillebrecht.

Upon motion made by Director Alcorn, seconded by Director Ross, and carried 4-0 (Director Rodriguez absent), the Board approved Resolution No. 549 initiating proceedings for the Annexation of the Ridgemark Bluffs Development (APNs 025-420-005 and 025-420-119) and authorizes the General Manager to execute the documents to submit an application to LAFCO for the annexation.

- 2. CONSIDER PROCLAIMING MAY 2018 AS "WATER AWARENESS MONTH". (Not a project under CEQA per Article 20, Section 15378):** General Manager/ Secretary Ridenhour stated that for the past twenty-five years, the month of May has been celebrated as water awareness month. Each year, new water awareness issues are brought

forward to inform and educate California agricultural and urban water users. This year's Proclamation, prepared by Shawn Novack of the Water Resources Agency, is attached.

Water Resources Program Manager, Shawn Novack, was on hand and read out loud the Proclamation for Water Awareness for May 2018 for the Board's consideration.

The *Water Awareness* issues for this year are:

- ◆ California's arid and semiarid climate, its ambitious and evolving economy, and its continually growing population have combined to make shortages and conflicting demands the norm; and
- ◆ The rising concern of Climate Change could limit the state and federal governments water infrastructure due to less snow pack; and
- ◆ The health, welfare and quality of life for our community depends on a reliable, high quality water supply; and
- ◆ The need to develop a diverse portfolio approach to water supply reliability that includes a balanced combination of conservation, water reuse, and new supplies is critical to our region's future; and
- ◆ Municipal agencies and governments continue to seek cost-effective and efficient systems to obtain and deliver water to meet the needs of residents, agriculture, and the economy; and
- ◆ The state, county, cities, and concerned citizens make strong efforts to foster wise decisions concerning water issues and water use; and
- ◆ The fact that California will experience periodic droughts and water conservation is critical not only during drought periods, **but at all times**; and
- ◆ During May 2018, the Sunnyslope County Water District is inviting everyone to find out ways to save water both at work and at home.

A motion was made by Director Alcorn that the District proclaim May 2018 as Water Awareness Month, which was seconded by Director Spencer, and carried 4-0 (Director Rodriguez absent).

**3. CONSIDER AUTHORIZING THE BOARD PRESIDENT TO EXECUTE TWO REIMBURSEMENT AGREEMENTS FOR THE CONSTRUCTION OF THE CROSSTOWN PIPELINE AND AUTHORIZE THE FULL FUNDING FOR THE PROJECT FOR AN AMOUNT NOT TO EXCEED \$7,184,500:**

**A. AUTHORIZE A REIMBURSEMENT AGREEMENT WITH SAN BENITO COUNTY FOR CONSTRUCTION OF THE 1<sup>ST</sup> PHASE OF THE PIPELINE TO BE INSTALLED CONCURRENT WITH THE CONSTRUCTION OF AN ACCESS ROAD AROUND SAN BENITO HIGH SCHOOL.**

**B. AUTHORIZE A REIMBURSEMENT AGREEMENT WITH THE CITY OF HOLLISTER FOR COSTS ASSOCIATED WITH THE CONSTRUCTION MANAGEMENT AND CONSTRUCTION OF THE CROSTOWN PIPELINE (Mitigated Negative Declaration prepared in accordance with CEQA and approved by the City of Hollister on September 18, 2017):**

General Manager/Secretary Ridenhour explained that the design of the Crosstown Pipeline is complete and the 1<sup>st</sup> phase of the Crosstown Pipeline Project will be awarded by San Benito County to the successful contractor on May 22, 2018. The 2<sup>nd</sup> phase of the Project will be put out to bid in a few days with bids due in June. The 1<sup>st</sup> phase of the Project will be constructed by San Benito County as part of their access road project around San Benito High School. The 2<sup>nd</sup> phase will be constructed by the District.

Reimbursement agreements are needed with San Benito County and the City of Hollister to pay for the costs associated with the 1<sup>st</sup> phase and to recover costs from the City for the 2<sup>nd</sup> phase. A Memorandum of Understanding (MOU) was adopted by the District on March 20, 2018 laying out the terms and conditions for the County to construct the 1<sup>st</sup> phase of the Project, and a second MOU was adopted by the Board on August 15, 2017 for cost sharing with the City for the design of the Project. The Crosstown Pipeline Project will begin on Nash Road adjacent to the City of Hollister's Well #5 and extend to the District's Well #11 on Southside Road just south of Union Road.

The County received bids for the 1<sup>st</sup> phase of the Project on May 2, 2018 and the apparent low bidder is Don Chapin Co. for an amount of \$766,753 for the pipeline portion of the project. A Reimbursement Agreement is needed with the County prior to awarding the project and beginning construction. The County is scheduled to award the project to Don Chapin Co. on May 22, 2018. Staff is requesting authorization for the bid amount (\$766,753) plus 5% contingency and incidental County costs of \$20,000 for a total amount not to exceed \$825,100. The total cost with contingency is reflected in the Reimbursement Agreements that were provided to the Board.

The Reimbursement Agreement with the City reflects the bid amount for the 1<sup>st</sup> phase of the Project, the engineer's estimate for the 2<sup>nd</sup> phase, and the costs for construction management. The percentage share of the costs in the Agreement have been estimated



based on the each agency's estimated benefit of the project. A contingency of 5% has been added to cover the potential costs of change orders that cannot be anticipated at this time. The City Council will consider approval of the Agreement on May 21, 2018. The Agreement will be brought back to the Board and the City Council if the bid results are higher than the engineer's estimated cost for the 2<sup>nd</sup> phase of the Project.

General Manager/Secretary Ridenhour stated that staff proposes funding the Crosstown Pipeline Project from District undesignated reserves. The District has undesignated reserves available to cover the full cost of the Project.

Upon motion made by Director Alcorn, seconded by Director Spencer, and carried 4-0 (Director Rodriguez absent), the Board authorized a reimbursement agreement with San Benito County for construction of the 1<sup>st</sup> phase of the Crosstown Pipeline to be installed concurrent with the construction of an access road around San Benito High School.

Upon motion made by Director Spencer, seconded by Director Alcorn, and carried 4-0 (Director Rodriguez absent), the Board authorized a reimbursement agreement with the City of Hollister for costs associated with the construction management and construction of the Crosstown Pipeline.

**4. CONSIDER AUTHORIZING AN AMENDMENT TO THE CROSTOWN PIPELINE DESIGN CONTRACT FOR \$39,000 AND AUTHORIZE A CONSTRUCTION MANAGEMENT CONTRACT FOR \$377,373 WITH KENNEDY/JENKS CONSULTANTS FOR ENGINEERING SERVICES DURING THE CONSTRUCTION OF THE CROSTOWN PIPELINE AND BOOSTER PUMP STATION. (Mitigated Negative Declaration prepared in accordance with CEQA and approved by the City of Hollister on September 18, 2017):**

General Manager/Secretary Ridenhour stated that the District entered into a design contract with Kennedy/Jenks Consultants in August of 2017 for the design of the crosstown pipeline and booster pump station. The design of the pipeline and the booster pump station are nearly complete and Kennedy/Jenks Consultants has requested an amendment to the contract for additional design services. During the design, staff requested modifications to the booster pump station to upgrade the chlorine feed system for the District's Well #2, perform additional modeling to ensure pipe sizing for the project would provide adequate flows in the future, add a variable frequency drive to the District's Well #2, and prepare a separate bid package for the 1<sup>st</sup> phase of the project that will be constructed by the San Benito County. These additions have resulted in increased design costs that were not part of the original agreement. The increased design services will be shared by the City of Hollister with approximately \$30,600 being the District's share and \$8,400 being the

City's share of the proposed amendment. The City's share will be collected as part of the reimbursement agreement that is considered in Item G-3 on the Board's agenda.

With the construction phase of the Crosstown Pipeline Project beginning, staff would like to secure the services of Kennedy/Jenks Consultants for engineering support and specialized inspection services during construction. Inspection of the pipeline portion of the project will be done by City and District staff. Material submittal review, design questions, and specialized inspection of the booster pump station will require expertise the District and the City staff do not have. Kennedy/Jenks Consultants, having designed the project, are the appropriate firm to provide the services needed for ensuring the construction of the new facilities are performed according to the plans. The scope of services Kennedy/Jenks Consultants will provide are part of the Construction Management Contract in Exhibit "A" of the staff report provided to the Board.

The District and the City of Hollister will share in the cost of the construction management services and those costs are included in the reimbursement agreement that is considered in Item G-3 on the Board's agenda. The District's share will be \$283,073 and the City's share will be \$94,300. The booster pump station inspection services that are solely for the District's benefit is the reason the costs are greater for the District.

General Manager/Secretary Ridenhour stated that staff will release the plans and specifications for bidding in the next few days and expect to award the contract in late June or early July. Construction will be complete in early 2019.

Upon motion made by Director Alcorn, seconded by Director Spencer, and carried 4-0 (Director Rodriguez absent), the Board authorized an amendment to the Crosstown Pipeline Design contract for \$39,000 and authorized a construction management contract for \$377,373 with Kennedy/Jenks Consultants for engineering services during the construction of the crosstown pipeline and booster pump station.

- 5. CONSIDER APPROVAL AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A FIVE-YEAR EXTENSION OF THE OPERATION AND MAINTENANCE AGREEMENT BETWEEN SAN BENITO COUNTY WATER DISTRICT AND SUNNYSLOPE COUNTY WATER DISTRICT FOR THE LESSALT AND WEST HILLS WATER TREATMENT PLANTS. (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Ridenhour explained that Sunnyslope County Water District entered into a five-year Operations and Maintenance Agreement with San Benito County Water District (SBCWD) for the operation of the Lessalt and West Hills Water Treatment Plants in August of 2013, with provisions for five year extensions. This agreement was a result of Sunnyslope becoming

part of the Hollister Urban Area Water and Wastewater Master Plan (HUAWWMP) in 2008. The HUAWWMP contemplated Sunnyslope becoming the operator of the upgraded Lessalt Water Treatment Plant and the newly constructed West Hills Water Treatment Plant.

Sunnyslope has been the operator of the Lessalt Water Treatment Plant since its construction in 2002, under a Joint Powers Authority between the City of Hollister and Sunnyslope. As part of the HUAWWMP it was agreed to transfer ownership of Lessalt Water Treatment Plant to SBCWD and that the new West Hills Water Treatment Plant would be owned by SBCWD. The upgrade to the Lessalt Water Treatment Plant was completed in December of 2014 and construction of the West Hills Water Treatment Plant was completed September of 2017.

Sunnyslope has successfully operated both treatment plants during the first five-year term of the Operation and Maintenance Agreement and has hired staff to handle the additional work load of the plants. The City and SBCWD have both been very happy with Sunnyslope's performance and staff from the agencies meet regularly to discuss budgets and operational issues that come up. The SBCWD Board approved the five-year extension on April 25, 2018.

Upon motion made by Director Ross, seconded by Director Spencer, and carried 4-0 (Director Rodriguez absent), the Board approved and authorized the General Manager to execute a five-year extension of the Operation and Maintenance Agreement between San Benito County Water District and Sunnyslope County Water District for the Lessalt and West Hills Water Treatment Plants.

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

1. **Governance Committee:** No meeting.
2. **Water/Wastewater Committee:** No meeting.
3. **Finance Committee:** No meeting.
4. **Policy and Procedure Committee:** No meeting.
5. **Personnel Committee:** General Manager/Secretary Ridenhour reported that the committee met on May 3<sup>rd</sup> to present the contract offer to employee negotiating team for a term beginning July 1, 2018 through June 30, 2020. Mr. Ridenhour stated that staff may want to meet with the Personnel Committee again and he will set up a meeting if that is decided.

- 6. Water Resources Association of San Benito County (WRA):** President Johnson provided a written report stating that the committee met on May 3<sup>rd</sup> and Program Manager, Shawn Novack reminded the committee that the fiscal year will be ending soon and there is still money available to be used for special programs.

President Johnson reported that Mr. Novack also advised that the request for support for having water bonds placed on the statewide November election was now moot. The original appeal had been asking for support in gaining that achievement, and an excess of signatures supporting placement of the measure had been obtained. Mr. Novack provided an overview of a potential outreach program which the committee members received with enthusiasm.

Sunnyslope County Water District's Assistant Engineer Rob Hillebrecht was present at the meeting and was asked to provide details about the program recently started by Sunnyslope (and other Districts) of measuring for Lead at targeted water circulation points in public schools.

President Johnson stated that the next meeting is scheduled 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 April 30, 2018), Statement of Income (thru March 31, 2018), and Investment Summary (thru April 30, 2018). She asked the Board if they had any questions, of which there were none.

The District's Investment Summary report reflects the total cash balance as of April 30, 2018 of \$12,226,721.35, which includes posted interest totaling \$66,619.46 (ten months interest on the CDs, and interest on the LAIF investment that posted in July, October, January, and April). Ms. Buck reported that the checking account balance had grown due to the number of capacity fees collected in April, so she transferred \$500,000 on May 8<sup>th</sup> from the checking account to the LAIF investment account.

Water/Wastewater Superintendent Jim Filice reported on the April 30, 2018 Maintenance Staff Report, and reported that staff had done Lead testing at four schools within the District and all were lower than regulated requirements.

In review of the Meter Reading Report for the period of March 14, 2018 to April 16, 2018, the intertie meter data indicates the City received 0.7% of Lessalt Water Treatment

Plant water, while the District received 99.3%, and the City received 100% of the West Hills Water Treatment Plant water, while the District received 0%.

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

8. **Active Tasks Update:** General Manager/Secretary Ridenhour reported that he attended the ACWA Conference in Sacramento on May 9<sup>th</sup> and 10<sup>th</sup>. He reported that there were a lot of high level discussion on various projects. Hearing the discussion on the Oroville Dam spillway was interesting and very informative regarding public trust. Other projects he heard discussed include: California Water Plan update; Proposition One and the ranking of various water storage projects; and the unimpaired flows of the San Joaquin River, which were very insightful.

Regarding wastewater quality, General Manager/Secretary Ridenhour reported that the District has been making progress on meeting our State wastewater discharge requirements by continuing efforts to get water softeners removed. The District is now in compliance for sodium and total suspended solids in the wastewater discharge, but still have a ways to go with reducing chloride levels. Staff will be working with WRA staff to make a focused effort on water softener removal in the Ridgemark area again this summer.

Mr. Ridenhour added the State has issued a formal revised and updated permit to operate Well #8. We had Well #8 on standby due to Chromium 6 regulations, but can now put it back into operation.

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

1. **Directors:** President Johnson provided a detailed written report on attending the ACWA/JPIA Spring Conference in Sacramento, CA from May 7<sup>th</sup> through 11<sup>th</sup>. She included a list of sessions attended, and stated that she always appreciates the opportunity to attend these meetings and thanked the Board members for supporting attendance.
2. **District Counsel:** No report.
3. **Finance and Human Resource Manager:** Cathy Buck reported that a draft of the FY 2018-19 Budget has been reviewed by the General Manager. A meeting to review the budget will be scheduled with the Finance Committee in the next couple of weeks and then will be brought to the Board for approval at the June board meeting.

Ms. Buck also reminded Board members that attended the AWCA Spring Conference, to remember to keep track of any free meals received from vendors at the conference, and to list them on their Form 700 filing for 2018.

4. **Assistant Engineer:** No report.

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

**J. FUTURE AGENDA ITEMS:** The FY 2018-19 Budget.

**K. ADJOURNMENT:** President Johnson adjourned the meeting at 6:07 p.m.

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

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