

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
November 17, 2015

- 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, Judi Johnson, Dave Meraz, and Danny Villalon (Director Mike Alcorn, absent).
- C. PLEDGE OF ALLEGIANCE:** President Hill 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 4-0-1 (Director Alcorn absent), the agenda was approved as presented.
- E. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS:** The Board welcomed members of the public and opened the meeting to public comments regarding matters not itemized on the agenda. There were no comments.

Staff present for Open Session: General Manager/Secretary Don Ridenhour, Attorney Heidi Quinn, Executive Assistant/Stenographer Carol Porteur, Finance and Human Resource Manager Cathy Buck, Water/Wastewater Superintendent Jim Filice, and Assistant Engineer Rob Hillebrecht.

F. CONSENT AGENDA:

1. Approval of Minutes – for the Regular Meeting of October 20, 2015.
2. Allowance of Claims – to ratify disbursements for the period from October 13, 2015 through November 9, 2015, totaling \$708,152.45, which includes \$364,181.83 for payments to vendors and employees, and \$340,689.05 paid to the City of Hollister for amounts collected from their customer’s for City sewer billings net of our fees, and \$3,281.57 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of November 9, 2015 was check #21391. The list of disbursements is as follows:

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
10/15/15	ACH 0752	EFTPS	-162.70
10/13/15	ACH 0753	RETURNED CHECK (Ret Ck 10-02)	-635.31
10/13/15	ACH 0754	RETURNED CHECK (Ret Ck 10-03)	-322.75
10/13/15	ACH 0755	RETURNED CHECK (Ret Ck 10-04)	-300.00
10/16/15	ACH 0756	RETURNED CHECK (Ret Ck 10-05)	-155.00
10/16/15	ACH 0757	RETURNED ACH (Ret ACH 10-01)	-146.87
10/19/15	ACH 0758	RETURNED ACH (Ret ACH 10-02)	-169.39
10/19/15	ACH 0759	RETURNED ACH (Ret ACH 10-03)	-163.32
10/19/15	ACH 0760	RETURNED ACH (Ret ACH 10-04)	-166.77
10/20/15	ACH 0761	RETURNED CHECK (Ret Ck 10-06)	-182.37
10/22/15	ACH 0762	RETURNED CHECK (Ret Ck 10-07)	-324.76
10/30/15	ACH 0763	EFTPS	-20,373.76
10/26/15	ACH 0764	RETURNED ACH (Ret ACH 10-05)	-169.39
10/22/15	ACH 0765	RETURNED CHECK (Ret Ck 10-08)	-128.49
11/03/15	ACH 0766	Merchant Services	-399.81
11/03/15	ACH 0767	Merchant Services	-1,027.10
10/15/15	DD 1479	Alcorn, Michael H	-92.35

Date	Num	Name	Amount
10/15/15	DD 1480	Johnson, Judi H	-92.35
10/15/15	DD 1481	Meraz, David E	-92.35
10/15/15	DD 1482	Villalon, Daniel	-252.05
10/30/15	DD 1483	Alvarez, Abel	-4,610.22
10/30/15	DD 1484	Brill, Kelly L.	-4,595.16
10/30/15	DD 1485	Buck, Cathy L.	-6,446.04
10/30/15	DD 1486	Castro, Kevin G.	-3.22
10/30/15	DD 1487	Chavez, Jr., Manuel T.	-6,549.68
10/30/15	DD 1488	Eclarin, Ernesto P.	-4,549.05
10/30/15	DD 1489	Filice, James L.	-6,676.10
10/30/15	DD 1490	Hagins, Patrick M.	-4,455.39
10/30/15	DD 1491	Hillebrecht, Robert B	-3,581.46
10/30/15	DD 1492	Jackson, Patrick W.	-5,315.01
10/30/15	DD 1493	Malko, Kim A.	-2,809.02
10/30/15	DD 1494	Marden, Robert E	-2,239.88
10/30/15	DD 1495	Norman, III, Walter R.	-4,890.35
10/30/15	DD 1496	Padilla, David	-5,413.43
10/30/15	DD 1497	Porteur, Carol A.	-4,114.12
10/30/15	DD 1498	Quick, Troy E	-4,759.45
10/30/15	DD 1499	Ridenhour, Donald G	-9,950.26
10/30/15	DD 1500	Watson, Scott A.	-5,401.53
10/30/15	DD 1501	Zavala, Anabel G.	-4,168.65
10/15/15	21305	Hill, Kathleen A	-277.05
10/19/15	21306	TERRY MAZE	-60.48
10/19/15	21307	A-1 Services	-403.00
10/19/15	21308	All Star Ready Mix, LLC	-142.74
10/19/15	21309	Auto Tech Service Center, Inc.	-36.88
10/19/15	21310	Bracewell Engineering, Inc.	-126.00
10/19/15	21311	Calgon Carbon Corporation	-41,277.00
10/19/15	21312	CM Analytical, Inc.	-2,275.00
10/19/15	21313	Edges Electrical Group	-52.98
10/19/15	21314	Hach Company	-652.19
10/19/15	21315	Harper & Associates Engineering, Inc.	-12,157.50
10/19/15	21316	John Smith Road Landfill	-312.00
10/19/15	21317	Mark Nicholson, Inc.	-5,629.76
10/19/15	21318	Mc Master-Carr	-303.41
10/19/15	21319	National Meter & Automation, Inc.	-13,621.05
10/19/15	21320	O'Reilly Auto Parts	-16.99
10/19/15	21321	Performance Agriculture	-726.80
10/19/15	21322	San Benito County Water District	-16,486.81
10/19/15	21323	Trans Union LLC	-99.40
10/23/15	21324	Postmaster	-245.86
10/26/15	21325	IVONE BRANQUINHO	-51.57
10/26/15	21326	AT&T	-268.53
10/26/15	21327	Bianchi Kasavan & Pope, LLP	-434.04
10/26/15	21328	City of Hollister-Finance Dept	-340,689.05
10/26/15	21329	CM Analytical, Inc.	-5,550.00
10/26/15	21330	De Lay & Laredo	-2,159.50
10/26/15	21331	Hach Company	-712.73
10/26/15	21332	Independent Business Forms, Inc.	-141.31
10/26/15	21333	J L Wingert Co.	-612.67
10/26/15	21334	Mark Nicholson, Inc.	-1,845.42
10/26/15	21335	MBS Business Systems	-1,700.50
10/26/15	21336	Postal Graphics (was Post Net)	-350.89
10/26/15	21337	Quinn Company	-576.54
10/26/15	21338	Staples Advantage	-208.04
10/26/15	21339	State Water Resources Control Board-DWPF	-4,686.24
10/26/15	21340	Tadco Supply	-287.73
10/26/15	21341	Toro Petroleum Corp.	-938.12
10/30/15	21342	CalPERS - Health Insurance	-15,603.65

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
10/30/15	21343	Dearborn National Life Insurance Company	-288.00
10/30/15	21344	HealthSmart Benefit Solutions, Inc. (VSP)	-336.93
10/30/15	21345	Premier Access Insurance Co.	-3,231.85
10/30/15	21346	Employment Dev. Dept. (EDD) DE88 Pmts.	-7,144.60
10/30/15	21347	CalPERS - Retirement	-1,036.00
10/30/15	21348	CalPERS - Retirement	-630.11
10/30/15	21349	Nationwide Retirements Solutions	-13,520.73
10/30/15	21350	CalPERS - Retirement	-20,925.14
10/30/15	21351	Postmaster	-1,981.60
11/02/15	21352	Porteur, Carol A.	-183.94
11/02/15	21353	Ace Hardware (Johnson Lumber Co.)	-561.10
11/02/15	21354	Brenntag Pacific, Inc.	-6,130.86
11/02/15	21355	Brigantino Irrigation	-295.97
11/02/15	21356	CM Analytical, Inc.	-1,745.00
11/02/15	21357	Everbank Commercial Finance, Inc.	-224.60
11/02/15	21358	Hollister Auto Parts, Inc.	-6.90
11/02/15	21359	J L Wingert Co.	-677.11
11/02/15	21360	Mid Valley Supply	-564.59
11/02/15	21361	Mission Uniform Service	-626.30
11/02/15	21362	Performance Agriculture	-1,587.00
11/02/15	21363	Razzolink.com	-209.85
11/02/15	21364	San Benito County-Tax Collector	-595.30
11/02/15	21365	San Benito Tire, Inc.	-639.24
11/02/15	21366	South Valley Internet, Inc.	-20.45
11/02/15	21367	Verizon Wireless	-409.00
11/02/15	21368	Wright Bros. Indust. Supply	-124.66
11/02/15	21369	Petty Cash	-79.14
11/03/15	21370	Corix Water Products	-460.64
11/03/15	21371	Mc Master-Carr	-29.02
11/04/15	21372	Dearborn National Life Insurance Company	-288.00
11/09/15	21373	RALPH J BRIGANTINO	-146.55
11/09/15	21374	DAISY ARELLANO & LUIS ROSALES	-116.15
11/09/15	21375	JOAN P GOODRICH	-42.40
11/09/15	21376	Ace Hardware (Johnson Lumber Co.)	-17.36
11/09/15	21377	All Star Ready Mix, LLC	-574.22
11/09/15	21378	Assoc. of Calif. Water Agencies (ACWA)	-11,875.00
11/09/15	21379	AT&T	-377.98
11/09/15	21380	City of Hollister-Finance Dept	-216.22
11/09/15	21381	Ferguson Enterprises, Inc.	-343.62
11/09/15	21382	GE Analytical Instruments, Inc.	-5,703.45
11/09/15	21383	Monterey Bay Water Works Assoc. MBWWA)	-35.00
11/09/15	21384	New SV Media, Inc. (was So Valley Newsp)	-65.00
11/09/15	21385	P G & E	-24,082.75
11/09/15	21386	Recology San Benito County	-129.16
11/09/15	21387	San Benito County Water District	-296.75
11/09/15	21388	State Water Resources Control Board-AFRS	-6,787.00
11/09/15	21389	Toro Petroleum Corp.	-2,579.48
11/09/15	21390	U.S. Bank Corporate Payment Systems	-2,546.39
11/09/15	21391	State Water Resources Control Board-DWOC	-60.00
Total Disbursements			<u>-708,152.45</u>

Upon motion made by Director Johnson, seconded by Director Meraz, and carried 4-0-1 (Director Alcorn absent), the consent agenda was approved as presented.

G. NEW BUSINESS:

1. CONSIDER AUTHORIZATION OF AN ADDITIONAL WATER/WASTEWATER UTILITY MAINTENANCE STAFF POSITION AND AUTHORIZE THE

GENERAL MANAGER TO ADVERTISE AND FILL THE NEW POSITION:

General Manager/Secretary Ridenhour stated that the District currently employs eighteen full time staff members with nine of those staff members filling the Water/Wastewater Utility Maintenance positions. Over the past three years the District has made significant improvements to our facilities and increased maintenance responsibilities for our staff. A new wastewater treatment plant has been constructed and additional treatment facilities have been constructed at the Lessalt Water Treatment Plant that expanded staffing duties. Other necessary projects and maintenance activities such as meter replacements, sewer main cleaning, valve exercising, and other routine maintenance activities are not getting done due to this added work load. He told the Board he would like to add one additional Water/Wastewater Utility Maintenance staff position to help with these routine maintenance items. The total cost of this additional staff person is approximately \$86,000 to \$115,000 per year depending on the staff person hired, their starting step in the salary range, and which CalPERS retirement plan they qualify for (Classic or PEPR).

Due to the recent plant improvements, The District's responsibility at the Lessalt Water Treatment Plant has increased 35% or added 800 hours of additional work load per year. The Ridgemark Wastewater Treatment Plant was completed in late 2013 and has added an additional 250 hours per year to run this facility. We have just begun the replacement of our water meters throughout the District which will add 300 hours per year. All of these small additions have kept some routine and preventative maintenance items and other less urgent items from being accomplished.

If the new position is approved, staff will be reviewing the list of candidates from our recruitment in November of 2014 to see if the top candidates from that list are still interested in employment with the District. This will save time and the cost of advertising if we are able to fill the proposed position from the existing list. No additional trucks or tools are anticipated with this new position at this time as they will be paired up with other staff for the foreseeable future.

General Manager/Secretary Ridenhour also explained that in the next few years there is a possibility that a couple of current maintenance employees will be retiring and if staff could hire someone now, that would allow time for training.

President Hill expressed concern regarding the possibility of Governor Brown extending the water conservation efforts and the effect it will have on the District's future revenue. General Manager/Secretary Ridenhour stated that with the conservation efforts thus far, the District has seen a significant reduction in revenue because customers are conserving water.

Director Meraz explained that due to short staffing, maintenance personnel is unable to install new meters which means the District is losing revenue, so if hiring an additional staff member will enable the meters to be installed, the District would collect additional revenue which would help offset the cost of hiring an additional employee.

Upon motion made by Director Johnson, seconded by Director Meraz, and carried 3-1-1 (Director Hill opposed, and Director Alcorn absent), the Board authorized an additional Water/Wastewater Utility Maintenance staff position and authorized the General Manager to advertise and fill the new position.

- 2. CONSIDER APPROVAL AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE REVISED AGREEMENT FOR LEGAL SERVICES WITH DE LAY & LAREDO, ATTORNEY'S AT LAW, AND REAPPOINT DAVID LAREDO THE DISTRICT'S GENERAL COUNSEL AND HEIDI QUINN AS THE DISTRICT'S ASSISTANT GENERAL COUNSEL:** General Manager/Secretary

Ridenhour explained that De Lay & Laredo, Attorneys at Law (David Laredo & Heidi Quinn) have been the District's legal counsel since November, 2012. The agreement terms and compensation have not been modified or adjusted since 2012. Mr. Laredo & Ms. Quinn requested some modifications to the contract including a revision to the rates and the term of the contract. All other provisions remain the same. The Personnel Committee met on October 19th and reviewed the proposed revisions and support the revised contract attached.

The proposed agreement is for three years, but has provisions to continue on a month to month basis at the end of the three year term. The proposed increases in rates will increase the retainer fee by \$100 per month and \$10 per hour beginning July 1, 2016 and on July 1st each following year. The retainer fee includes up to 12 hours per month of legal services.

Upon motion made by Director Meraz, seconded by Director Johnson, and carried 4-0-1 (Director Alcorn absent), the Board approved and authorized the General Manager to execute the revised agreement for legal services with De Lay & Laredo, Attorney's at Law, and reappoint David Laredo the District's General Counsel and Heidi Quinn as the District's Assistant General Counsel.

H. BOARD COMMITTEE and STATUS REPORTS

- 1. Governance Committee:** No meeting held.
- 2. Water/Wastewater Committee:** No meeting held.
- 3. Finance Committee:** No meeting held.
- 4. Policy and Procedure Committee:** No meeting held; the next meeting is scheduled for December 8th at 5:00 p.m.
- 5. Personnel Committee:** No meeting held.
- 6. Water Resources Association of San Benito County (WRA):** Director Johnson reported no meeting held and the next meeting is scheduled for December 10th at 4:00 p.m.
- 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 October 31, 2015), Statement of Income (thru September 30, 2015), and Investment Summary (thru October 31, 2015).

Ms. Buck reported that we received one water capacity fee in October 2015, bringing the total to four water capacity fees received this fiscal year, compared to zero water capacity fees received in October 2014 and a total of three received in the last fiscal year. Ms. Buck added that the number of auto pay customers continues to increase, mainly driven by the new deposit requirements. The past due percentage has been reduced due to the increase in auto pay customers, but as always, is expected to increase during November and December due to Christmas.

Ms. Buck reported that water sales revenue for October 2015, is down \$3,102 (or -0.9%) compared to last month and is down \$28,790 (or -7.6%) compared to October 2014 with the drought conservation being a big factor.

The District's Investment Summary report reflects the total cash balance as of October 31, 2015 of \$8,165,881.46, which includes four months posted interest totaling \$9,550.03

(which is the equivalent of 7 months interest, since the LAIF interest received in July is for the last quarter of last fiscal year).

Water/Wastewater Superintendent Jim Filice reviewed the October 2015 Maintenance Staff Report, and asked if the Board had any questions. There were no questions, but Mr. Filice informed the Board that staff installed the City of Hollister intertie meter at the farm labor camp today. General Manager/Secretary Ridenhour added that the new meter is at the expense of the farm labor camp.

Review of the Meter Reading Report for the period September 14, 2015 to October 14, 2015, on the intertie meter data indicates the City received 18.0% of Lessalt water, while the District received 82.0%. Mr. Filice stated that the City of Hollister has paid back a little more water to the District.

Water/Wastewater Superintendent Jim Filice reviewed the groundwater level report, and noted the water levels are holding steady.

- 8. Active Tasks Update:** General Manager/Secretary Ridenhour reported that the District's conservation numbers continue to be greater than the State's mandates with a 36.5% reduction in October and 36.3% reduction since June. Code Enforcement patrols by the City have been suspended and hours have been reduced by our part-time water conservation staff person.

Mr. Ridenhour reported that the 3.5 MG Fairview Tank is just about complete and should begin filling with water later in the week or early next week. The interior painting of the 1.0 MG Ridemark is complete and the work on the exterior continues.

The grading work on the West Hills WTP project site is nearing completion and the raw water pipeline has been installed from Union Road to the site. The Governance Committee is planning a tour of the project sometime early in 2016.

General Manager/Secretary Ridenhour reported that the Tranche 3 funding for the West Hills WTP, which is being pursued by San Benito County Water District with assistance from Bartle Wells, is expected to be brought before the Board in December. San Benito County Water District reported to Mr. Ridenhour that they are looking at a loan with a 3.45% interest rate for a fifteen year term.

The cross-town pipeline project is being accelerated due to the City of Hollister's Chromium 6 issues. Staff are negotiating a scope of work to perform the pre-design of the pipeline. Cost sharing of the pre-design is proposed to be 50/50 with the City but the final design and construction cost sharing will be negotiated once the pre-design is complete. Construction may need to occur as early as 2017.

General Manager/Secretary Ridenhour reported that the Verizon Antenna Lease is nearly complete and he expects to bring an agreement to the Board in the next few months. Verizon is making progress on the easement to the site.

I. BOARD and STAFF REPORTS

- 1. Directors:** No report.
- 2. District Counsel:** Attorney Quinn wished everyone a Happy Thanksgiving.
- 3. Finance and Human Resource Manager:** Cathy Buck reported that the Auditors were at the District office for two days and have completed their field work. Ms. Buck expects to

have the Auditor's requested changes back the week after Thanksgiving.

4. General Manager: No report.

J. FUTURE AGENDA ITEMS: Water Supply & Treatment Agreement Amendment for Tranche 3 Loan with San Benito County Water District; Verizon lease agreement; and election of next year's officers and director committee assignments.

K. ADJOURNMENT: President Hill adjourned the meeting at 5:57 p.m.

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

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