

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
October 20, 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, Mike Alcorn, Judi Johnson, Dave Meraz, and Danny Villalon.
- C. PLEDGE OF ALLEGIANCE:** Naomi Castro of the Union 4-H club led Directors, staff, and public in the Pledge of Allegiance.
- D. APPROVAL OF AGENDA:** Upon motion made by Director Johnson, seconded by Director Meraz, 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, Water/Wastewater Superintendent Jim Filice, Assistant Engineer Rob Hillebrecht, and Finance and Human Resource Manager Cathy Buck.

F. CONSENT AGENDA:

1. Approval of Minutes – for the Regular Meeting of September 15, 2015.
2. Allowance of Claims – to ratify disbursements for the period from September 9, 2015 through October 12, 2015, totaling \$1,140,203.24, which includes \$801,468.95 for payments to vendors and employees, and \$335,936.11 paid to the City of Hollister for amounts collected from their customer’s for City sewer billings net of our fees, and \$2,798.18 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of October 12, 2015 was check #21304. The list of disbursements is as follows:

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
09/10/15	ACH 0736	Merchant Services	-9.00
09/16/15	ACH 0737	RETURNED ACH (Ret ACH 09-01)	-201.55
09/17/15	ACH 0738	RETURNED ACH (Ret ACH 09-02)	-84.03
09/17/15	ACH 0739	RETURNED ACH (Ret ACH 09-03)	-153.45
09/17/15	ACH 0740	RETURNED ACH (Ret ACH 09-04)	-163.97
09/16/15	ACH 0741	RETURNED CHECK (Ret Ck 09-01)	-193.09
09/15/15	ACH 0742	EFTPS	-179.00
09/30/15	ACH 0743	EFTPS	-21,505.90
09/18/15	ACH 0744	RETURNED CHECK (Ret Ck 09-02)	-312.00
09/18/15	ACH 0745	RETURNED CHECK (Ret Ck 09-03)	-291.77
09/23/15	ACH 0746	RETURNED CHECK (Ret Ck 09-04)	-186.13
09/25/15	ACH 0747	RETURNED CHECK (Ret Ck 09-05)	-36.11
09/30/15	ACH 0748	RETURNED CHECK (Ret Ck 09-06)	-149.76
10/05/15	ACH 0749	Merchant Services	-389.26
10/05/15	ACH 0750	Merchant Services	-988.69
10/09/15	ACH 0751	RETURNED CHECK (Ret Ck 10-01)	-197.68
09/15/15	DD 1456	Alcorn, Michael H	-184.70

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
09/15/15	DD 1457	Johnson, Judi H	-183.70
09/15/15	DD 1458	Meraz, David E	-92.35
09/15/15	DD 1459	Villalon, Daniel	-159.70
09/30/15	DD 1460	Alvarez, Abel	-4,695.86
09/30/15	DD 1461	Brill, Kelly L.	-4,595.17
09/30/15	DD 1462	Buck, Cathy L.	-6,424.30
09/30/15	DD 1463	Castro, Kevin G.	-4,917.38
09/30/15	DD 1464	Chavez, Jr., Manuel T.	-6,706.26
09/30/15	DD 1465	Eclarin, Ernesto P.	-5,269.51
09/30/15	DD 1466	Filice, James L.	-6,676.11
09/30/15	DD 1467	Hagins, Patrick M.	-5,149.72
09/30/15	DD 1468	Hillebrecht, Robert B	-3,581.45
09/30/15	DD 1469	Jackson, Patrick W.	-5,315.00
09/30/15	DD 1470	Malko, Kim A.	-2,833.13
09/30/15	DD 1471	Marden, Robert E	-1,796.58
09/30/15	DD 1472	Norman, III, Walter R.	-5,278.44
09/30/15	DD 1473	Padilla, David	-5,230.90
09/30/15	DD 1474	Porteur, Carol A.	-4,114.12
09/30/15	DD 1475	Quick, Troy E	-3,769.63
09/30/15	DD 1476	Ridenhour, Donald G	-9,950.27
09/30/15	DD 1477	Watson, Scott A.	-5,504.17
09/30/15	DD 1478	Zavala, Anabel G.	-4,152.75
09/09/15	21189	Recology San Benito County	-132.29
09/14/15	21190	AT&T	-126.60
09/14/15	21191	Bianchi Kasavan & Pope, LLP	-84.00
09/14/15	21192	Brenntag Pacific, Inc.	-2,050.46
09/14/15	21193	Calgon Carbon Corporation	-42,073.03
09/14/15	21194	City National Bank	-168,881.16
09/14/15	21195	City of Hollister-Finance Dept	-2,080.00
09/14/15	21196	EBCO Pest Control	-55.00
09/14/15	21197	Greenwood Chevrolet	-27.78
09/14/15	21198	MBS Business Systems	-2,117.60
09/14/15	21199	Monterey Bay Water Works Assoc. (MBWWA)	-280.00
09/14/15	21200	National Meter & Automation, Inc.	-9,073.83
09/14/15	21201	Neopost USA, Inc.	-48.47
09/14/15	21202	North Bay Pensions	-1,800.00
09/14/15	21203	Performance Agriculture	-1,178.75
09/14/15	21204	San Benito County Water District	-353.25
09/14/15	21205	Toro Petroleum Corp.	-1,298.35
09/14/15	21206	Trans Union LLC	-79.70
09/14/15	21207	City of Hollister-Finance Dept	-2,925.00
09/15/15	21208	Hill, Kathleen A	-277.05
09/21/15	21209	A-1 Services	-403.00
09/21/15	21210	Brenntag Pacific, Inc.	-2,867.35
09/21/15	21211	Cal-Sierra Technologies, Inc.	-175.96
09/21/15	21212	City of Hollister-Finance Dept	-335,936.11
09/21/15	21213	CM Analytical, Inc.	-8,695.00
09/21/15	21214	Coast Counties Glass	-48.29
09/21/15	21215	First Trust Alarm Company	-431.00
09/21/15	21216	Harper & Associates Engineering, Inc.	-12,000.00
09/21/15	21217	J L Wingert Co.	-1,547.91
09/21/15	21218	John Smith Road Landfill	-587.16
09/21/15	21219	Paso Robles Tank, Inc.	-280,820.00
09/21/15	21220	Performance Agriculture	-891.25
09/21/15	21221	Postal Graphics (was Post Net)	-32.56
09/21/15	21222	Rianda Air, Inc.	-1,145.00
09/21/15	21223	USA BlueBook	-94.77
09/23/15	21224	Postmaster	-243.45
09/28/15	21225	AT&T	-261.91
09/28/15	21226	B.W.S. Distributors, Inc.	-342.93

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
09/28/15	21227	Bracewell Engineering, Inc.	-126.00
09/28/15	21228	Brenntag Pacific, Inc.	-488.60
09/28/15	21229	Brigantino Irrigation	-41.00
09/28/15	21230	CM Analytical, Inc.	-410.00
09/28/15	21231	De Lay & Laredo	-2,030.00
09/28/15	21232	Fastenal Company	-70.90
09/28/15	21233	Hach Company	-3,978.91
09/28/15	21234	Itron, Inc.	-789.82
09/28/15	21235	Kennedy/Jenks Consultants	-375.00
09/28/15	21236	Palace Business Solutions	-549.19
09/28/15	21237	Razzolink.com	-209.85
09/28/15	21238	Stargazer Packaging	-473.49
09/28/15	21239	Toro Petroleum Corp.	-952.84
09/28/15	21240	Underground Service Alert	-187.50
09/28/15	21241	Verizon Wireless	-381.09
09/28/15	21242	Wright Bros. Indust. Supply	-97.66
09/30/15	21243	Employment Dev. Dept. (EDD) DE88 Pmts.	-7,784.03
09/30/15	21244	CalPERS - Retirement	-1,036.00
09/30/15	21245	CalPERS - Retirement	-630.11
09/30/15	21246	Nationwide Retirements Solutions	-13,395.73
09/30/15	21247	United Way of Santa Cruz	-120.00
09/30/15	21248	ACWA/JPIA	-12,317.64
09/30/15	21249	CalPERS - Health Insurance	-15,603.65
09/30/15	21250	CalPERS - Retirement	-22,136.19
09/30/15	21251	Dearborn National Life Insurance Company	-288.00
09/30/15	21252	HealthSmart Benefit Solutions, Inc. (VSP)	-336.93
09/30/15	21253	Premier Access Insurance Co.	-3,231.85
09/30/15	21254	Postmaster	-1,978.77
10/05/15	21255	Ace Hardware (Johnson Lumber Co.)	-626.51
10/05/15	21256	AT&T	-374.13
10/05/15	21257	Auto Tech Service Center, Inc.	-36.88
10/05/15	21258	Calcon System, Inc.	-1,109.00
10/05/15	21259	Calif. Clean Energy LLC	-2,476.16
10/05/15	21260	CM Analytical, Inc.	-1,995.00
10/05/15	21261	Corix Water Products	-1,777.97
10/05/15	21262	Downtown Automotive	-262.25
10/05/15	21263	Everbank Commercial Finance, Inc.	-224.60
10/05/15	21264	Flomotion Systems, Inc.	-223.60
10/05/15	21265	Hach Company	-829.93
10/05/15	21266	Mission Uniform Service	-775.96
10/05/15	21267	O'Reilly Auto Parts	-41.17
10/05/15	21268	P G & E	-27,844.59
10/05/15	21269	Palace Business Solutions	-5.90
10/05/15	21270	Performance Agriculture	-726.80
10/05/15	21271	Postmaster	-94.40
10/05/15	21272	San Benito Tire, Inc.	-20.00
10/05/15	21273	South Valley Internet, Inc.	-20.45
10/05/15	21274	Ace Hardware (Johnson Lumber Co.)	-33.95
10/12/15	21275	JOSE & VALERIE LUNA	-29.70
10/12/15	21276	MARIA HERNANDEZ	-60.55
10/12/15	21277	VLM PROPERTIES	-36.84
10/12/15	21278	KEVIN & RENEE REED	-33.91
10/12/15	21279	ESTELA LOZANO	-36.66
10/12/15	21280	REYNALD & LOURDES DEAN	-88.79
10/12/15	21281	ALVIN W & KRISTINA MUSGRAVE JR.	-49.61
10/12/15	21282	MICHELE M CANELA	-72.76
10/12/15	21283	EAGLE VISTA EQUITIES LLC	-105.19
10/12/15	21284	AL V INC	-15.96
10/12/15	21285	ALFONSO & HOLLY ANN VASQUEZ	-88.76
10/12/15	21286	FLORENCE T MYERS	-209.91

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
10/12/15	21287	All Star Ready Mix, LLC	-200.73
10/12/15	21288	Auto Tech Service Center, Inc.	-36.88
10/12/15	21289	B.W.S. Distributors, Inc.	-54.68
10/12/15	21290	City of Hollister-Finance Dept	-2,047.50
10/12/15	21291	Credit Consulting Services, Inc.	-45.38
10/12/15	21292	EBCO Pest Control	-55.00
10/12/15	21293	Mc Master-Carr	-94.44
10/12/15	21294	Mid Valley Supply	-103.20
10/12/15	21295	National Meter & Automation, Inc.	-710.08
10/12/15	21296	P G & E	-41.30
10/12/15	21297	PAPA	-45.00
10/12/15	21298	Recology San Benito County	-129.16
10/12/15	21299	San Benito County Water District	-307.50
10/12/15	21300	San Benito Tire, Inc.	-932.94
10/12/15	21301	Tadco Supply	-191.82
10/12/15	21302	Toro Petroleum Corp.	-1,119.43
10/12/15	21303	U.S. Bank Corporate Payment Systems	-512.43
10/12/15	21304	City of Hollister-Finance Dept	-138.57
Total Disbursements			<u>-1,140,203.24</u>

Director Johnson inquired about check #21202 in the amount of \$1,800 payable to North Bay Pensions, Cathy Buck responded that is for an actuarial study which is done every two years. Director Johnson questioned check #21218 in the amount of \$587.16 payable to John Smith Road Landfill, and Jim Filice responded that it is for the disposal of sludge removed from the Wastewater Treatment Plant. Director Johnson commented on check #21297 in the amount of \$45.00 payable to PAPA (which stands for Pesticide Applicators Professional Association) and stated that she would be talking about this later in the meeting.

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 AUTHORIZING BOARD MEMBERS TO ATTEND THE ASSOCIATION OF CALIFORNIA WATER AGENCIES CONFERENCE (ACWA) AND THE ACWA/JOINT POWERS INSURANCE AUTHORITY (JPIA) MEETING NOVEMBER 30 THROUGH DECEMBER 4, 2015 IN INDIAN WELLS,

CALIFORNIA: General Manager/Secretary Ridenhour explained that the ACWA Fall Conference is being held in Indian Wells from December 1st through the 4th this year. On Monday, November 30th, 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. Directors Alcorn and Villalon are our JPIA representative and alternate.

Pre-registration on or before November 9th for the full conference including meals most days is \$695 per person. The total expenditure for attending the conference is approximately \$2,450 per person including registration, mileage, parking, air travel, shuttle (Ontario Airport to Indian Wells), and meals for four days and four nights. The last day to make hotel reservations at the conference rate is November 13th and the last day to receive the early registration discount is November 9th. Costs may be less per person if an attendee does not stay for four nights, other hotels are utilized with lower rates, and attendees carpool.

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

Director Villalon emphasized that he feels it is important for the District to be represented at the ACWA/JPIA conferences and stated that he would not be able to attend. Director Alcorn stated that there is a possibility that he will be working a few hours away at the time of the conference, and if his schedule would permit, he may be able to attend the ACWA/JPIA portion of the conference.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 5-0, the Board authorized Director Alcorn to attend the Association of California Water Agencies Conference (ACWA) and the ACWA/Joint Powers Insurance Authority (JPIA) meeting November 30 through December 4, 2015 in Indian Wells, California.

H. BOARD COMMITTEE and STATUS REPORTS

- 1. Governance Committee:** General Manager/Secretary Ridenhour reported that the committee met on September 28th and discussed the update on the West Hills Water Treatment Plant stating that the construction has begun and the contractor has already started installing the raw water pipeline. Due to the Chromium 6 Compliance Plan, the cross town pipeline project may be accelerated in order for the City of Hollister to become compliant with State regulations. General Manager/Secretary Ridenhour stated that in the original plan, the District was going to benefit the most from the cross town pipeline to deliver West Hills Water Treatment Plant water, but due to the Chromium 6 issue for the City of Hollister, it appears that the City will benefit significantly. In the near future, their staff will be bringing a proposal to start the pre-design work on the cross town pipeline, and upon completion of the pre-design, discussions and negotiations will begin on how the cost will be split between the City and the District.

Director Johnson asked General Manager/Secretary Ridenhour if a drawing of the West Hills Water Treatment Plant could be put up in the board room so that when there was discussion on the plant, the Directors would be able to identify what is being talked about and General Manager/Secretary Ridenhour said he would work on getting drawings up.

- 2. Water/Wastewater Committee:** General Manager/Secretary Ridenhour reported that the committee met on September 24th to discuss the Hollister Urban Area Master Plan Update and the boundry concerns. Since the original plan was designed, the County of San Benito has decided to include additional property for urban development in the County's general plan. Other items of discussion were the City Chromium 6 Plan and cross town pipeline schedule; the Fairview & Ridgemark Tanks re-coating project update; and the West Hills Treatment Plant construction progress.
- 3. Finance Committee:** No meeting held.
- 4. Policy and Procedure Committee:** No meeting held. The next meeting is scheduled for December 8th.
- 5. Personnel Committee:** General Manager/Secretary Ridenhour reported that a meeting was held on October 19th to discuss the need for one additional Maintenance staff member; and also to discuss renewal and extension of the legal counsel contract with DeLay & Laredo. Mr. Ridenhour stated that he will be bringing these items to the Board at the November Board meeting.
- 6. Water Resources Association of San Benito County (WRA):** Director Johnson stated

that she had prepared a written report outlining the meeting held on October 1st. In Director Johnson's report she stated that discussion was held on the ongoing efforts for meeting the requirements of drought reduction water usage, and stated that Sunnyslope and the City of Hollister have exceeded the imposed regulation.

Director Johnson added that General Manager/Secretary Ridenhour spoke at the meeting on the continuing efforts for water conservation and spoke of the success the District has had by having a compliance officer monitoring and contacting customers. Mr. Ridenhour noted that conservation efforts of the compliance officer have been scaled back and will continue until the rains come.

Director Johnson also stated in her report that the local turf removal program has ended with all monies allocated, and Program Manager Shawn Novack is following through with the participants still in stages of completion. Mr. Novack spoke briefly on the turf removal program put into place by the State, noting that the State program would not pay in excess of a local program.

Director Johnson's report noted that the Water Conservation Program had a booth at the San Benito County Fair which focused on landscaping/water wise gardening. At the meeting, Shawn Novack, spoke of the many field trips to the Lessalt Water Treatment Plant and the City of Hollister's Wastewater Treatment Plant; and school presentations which had been completed and the others that were planned.

Director Johnson reported that the next meeting is scheduled for December 10th at 4:00 p.m. in the San Benito County Water District conference room.

- 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 September 30, 2015), Statement of Income (thru August 31, 2015), and Investment Summary (thru September 30, 2015). Cathy Buck pointed out that District received one water capacity fee in September bringing the total to three water capacity fees received this fiscal year to date. Ms. Buck also commented that the number of auto pay customers continues to grow, in large part due to the new deposit policy for new customers.

Cathy Buck stated that water sales are down due to the water conservation with the drought situation which means revenue is also down. Director Alcorn asked how long the District will be able to run in a deficit due to the drought, and Ms. Buck responded that when the rate study was done it was unknown that we would be in a drought situation, but other factors such as staffing adjustments and paying off the CalPERS side fund, were not considered in the study which in turn has given the District more reserves which help offset this water revenue reduction. General Manager/Secretary Ridenhour added that staff continues to monitor the situation with cash flow and expenses.

Director Alcorn stated that with the new construction going on in the District that soon we will be collecting capacity fees and he asked how that money is used. General Manager/Secretary Ridenhour explained that the capacity money for new connections can only be used for capital costs and expansion of facilities to serve the new demands, but the monthly revenue collected for water sales is applied to monthly operating costs.

The District's Investment Summary report reflects the total cash balance as of September 30, 2015 of \$7,907,779.36, which includes three months posted interest totaling \$5,599.37 (which is the equivalent of 6 months interest, since the LAIF interest received in July is for

the last quarter of last fiscal year).

Cathy Buck reported that in September the District transferred a total of \$800,000 from LAIF investments to the checking account to cover the required annual payment on the SRF Loan for \$759,975 and the semi-annual payment on the City National Bank Loan in the amount of \$168,881.

Water/Wastewater Superintendent Jim Filice reviewed the September 2015 Maintenance Staff Report, and asked if the Board had any questions. Director Johnson asked various questions, which Mr. Filice answered. Director Alcorn inquired about #17, change out the Granular Activated Carbon for GAC 3 at the Lessalt Water Treatment Plant, asking if we were getting the expected life from the filters. General Manager/Secretary Ridenhour responded that we are not, and it is due to the poor quality of water being received from the San Justo Reservoir and due to the drought. The filters were expected to last around five (5) months but we are only getting about three (3) months out of them.

President Hill inquired about #18, clean and organize Lessalt to prepare for upcoming tours, and Jim Filice explained that was to prepare for school tours that Shawn Novack was giving.

Review of the Meter Reading Report for the period August 17, 2015 to September 14, 2015, on the intertie meter data indicates the City received 15.9% of Lessalt water, while the District received 84.1%. Mr. Filice stated the City of Hollister has paid back a little more water owed to the District.

Water/Wastewater Superintendent Jim Filice reviewed the groundwater level report, and noted the water levels are trending down, and that rain will help.

- 8. Active Tasks Update:** General Manager/Secretary Ridenhour reported on the Tank Rehabilitation project stating that the 3.5 MG Fairview tank is nearing completion and should be finished in 3-4 weeks. The 1.0 MG tank at Ridgemark is progressing and the interior painting is nearly complete and the contractor will be starting on the exterior.

Mr. Ridenhour reported that the 2.0 MG Fairview Tank, which belonged to the City of Hollister, is now the property of Sunnyslope County Water District, all the paperwork is complete and the Quit Claim Deed has been recorded.

General Manager/Secretary Ridenhour reported that the Tranche 3 financing, which is to fund the excess construction costs to complete the West Hills Water Treatment Plant, is being pursued by San Benito County Water District with assistance from Bartle Wells and Associates, and they are currently looking at locking in a rate between 3.5% and 3.9% with a 15 year loan. Mr. Ridenhour expects to bring something to the Board for approval in the next couple of months.

General Manager/Secretary Ridenhour reported that the Verizon Antenna Lease is making progress; the attorney's are talking, and the lease agreement is expected to be brought to the Board in next few months.

Wastewater quality continues to improve each month, especially since higher quality water from Lessalt WTP started being delivered to the Ridgemark area customers, which includes Quail Hollow and Oak Creek subdivisions. The District is in compliance with Total Dissolved Solids; with Sodium and Chloride levels continuing to drop.

General Manager/Secretary Ridenhour updated the Board on the Farm Labor Camp

upgrading the District's interie with the City of Hollister as part of the District's SCADA system, stating that the total cost will be about \$20,000 and the Farm Labor Camp has already given the District a \$10,000 deposit. Mr. Ridenhour stated that the Farm Labor Camp will be reimbursing the District for the expense of the upgrade and improvements.

I. BOARD and STAFF REPORTS

- 1. Directors:** While reviewing the disbursements, Director Johnson commented on a check to PAPA, which stands for Pesticide Applicators Professional Association, and this is an additional license that Pat Jackson maintains which allows him to spray weeds on District property for the District. Director Johnson commented and complimented staff for the various certifications and licenses that many of the District's personnel hold outside of what is required for their positions. Many of the license/certifications allow staff to do work in house, saving the District from having to hire outside services.
- 2. District Counsel:** No report.
- 3. Finance and Human Resource Manager:** Cathy Buck reported that there was a small claims case filed against a customer for money owed for water service that had been disputed. The case was to go to court in October, however the customer decided to settle out of court and has paid the account in full.
- 4. General Manager:** General Manager/Secretary Ridenhour reported that he will be on vacation from October 22nd through November 6th, returning to work on November 9th.

J. FUTURE AGENDA ITEMS: Renewal and extension of DeLay & Laredo contract; and hiring of an additional Maintenance staff personnel.

K. ADJOURNMENT: President Hill adjourned the meeting at 6:15 p.m.

APPROVED BY THE BOARD: s/ Kathleen A. Hill

Kathleen A. Hill, President

RESPECTFULLY SUBMITTED: s/ Donald G. Ridenhour

Donald G. Ridenhour, Secretary