

**MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
September 15, 2015**

- A. CALL TO ORDER:** The meeting was called to order at 5:17 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. **Absent:** Director Mike Alcorn.
- C. PLEDGE OF ALLEGIANCE:** Rebecca Cartelli, a student at San Benito High School, 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 4-0 (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, 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 August 18, 2015.
2. Allowance of Claims – to ratify disbursements for the period from August 11, 2015 through September 8, 2015, totaling \$1,733,297.40, which includes \$1,386,765.78 for payments to vendors and employees, and \$344,474.02 paid to the City of Hollister for amounts collected from their customer’s for City sewer billings net of our fees, and \$2,057.60 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of September 8, 2015 was check #21188. The list of disbursements is as follows:

| <u>Date</u> | <u>Number</u> | <u>Name</u> | <u>Amount</u> |
|-------------|---------------|---------------------------------|---------------|
| 08/14/15 | ACH 0725 | EFTPS (Fed 941) | -160.40 |
| 08/11/15 | ACH 0726 | RETURNED CHECK (Ret. Ck. 08-02) | -329.56 |
| 08/14/15 | ACH 0727 | RETURNED ACH (Ret. ACH 08-01) | -75.00 |
| 08/19/15 | ACH 0728 | RETURNED ACH (Ret. ACH 08-03) | -146.92 |
| 08/19/15 | ACH 0729 | RETURNED ACH (Ret. ACH 08-04) | -107.69 |
| 08/19/15 | ACH 0730 | RETURNED ACH (Ret. ACH 08-05) | -143.58 |
| 08/18/15 | ACH 0731 | RETURNED ACH (Ret. ACH 08-02) | -562.64 |
| 08/31/15 | ACH 0732 | EFTPS (Fed 941) | -22,660.36 |
| 08/20/15 | ACH 0733 | RETURNED CHECK (Ret. Ck. 08-03) | -127.05 |
| 09/03/15 | ACH 0734 | Merchant Services | -409.81 |
| 09/03/15 | ACH 0735 | Merchant Services | -970.33 |
| 08/14/15 | DD 1433 | Alcorn, Michael H | -184.70 |
| 08/14/15 | DD 1434 | Johnson, Judi H | -92.35 |
| 08/14/15 | DD 1435 | Meraz, David E | -92.35 |
| 08/14/15 | DD 1436 | Villalon, Daniel | -159.70 |
| 08/31/15 | DD 1437 | Alvarez, Abel | -4,967.51 |
| 08/31/15 | DD 1438 | Brill, Kelly L. | -4,837.11 |
| 08/31/15 | DD 1439 | Buck, Cathy L. | -6,424.28 |

| Date | Number | Name | Amount |
|-------------|---------------|---|---------------|
| 08/31/15 | DD 1440 | Castro, Kevin G. | -4,453.33 |
| 08/31/15 | DD 1441 | Chavez, Jr., Manuel T. | -6,705.95 |
| 08/31/15 | DD 1442 | Eclarin, Ernesto P. | -5,278.03 |
| 08/31/15 | DD 1443 | Filice, James L. | -6,676.08 |
| 08/31/15 | DD 1444 | Hagins, Patrick M. | -5,617.72 |
| 08/31/15 | DD 1445 | Hillebrecht, Robert B | -3,581.45 |
| 08/31/15 | DD 1446 | Jackson, Patrick W. | -5,798.79 |
| 08/31/15 | DD 1447 | Malko, Kim A. | -2,929.95 |
| 08/31/15 | DD 1448 | Marden, Robert E | -2,669.08 |
| 08/31/15 | DD 1449 | Norman, III, Walter R. | -5,456.70 |
| 08/31/15 | DD 1450 | Padilla, David | -5,289.26 |
| 08/31/15 | DD 1451 | Porteur, Carol A. | -4,114.12 |
| 08/31/15 | DD 1452 | Quick, Troy E | -3,800.02 |
| 08/31/15 | DD 1453 | Ridenhour, Donald G | -9,869.39 |
| 08/31/15 | DD 1454 | Watson, Scott A. | -6,128.37 |
| 08/31/15 | DD 1455 | Zavala, Anabel G. | -4,185.55 |
| 08/14/15 | 21101 | Hill, Kathleen A | -163.70 |
| 08/17/15 | 21102 | All Star Ready Mix, LLC | -623.27 |
| 08/17/15 | 21103 | BHI Management Consulting | -50.00 |
| 08/17/15 | 21104 | Brenntag Pacific, Inc. | -4,655.38 |
| 08/17/15 | 21105 | Calcon System, Inc. | -1,109.00 |
| 08/17/15 | 21106 | CM Analytical, Inc. | -3,675.00 |
| 08/17/15 | 21107 | Hach Company | -4,678.32 |
| 08/17/15 | 21108 | Harper & Associates Engineering, Inc. | -12,040.00 |
| 08/17/15 | 21109 | Interstate All Battery Center | -268.40 |
| 08/17/15 | 21110 | John Smith Road Landfill | -663.60 |
| 08/17/15 | 21111 | San Benito County Water District | -64,385.00 |
| 08/17/15 | 21112 | Staples Advantage | -287.09 |
| 08/17/15 | 21113 | Toro Petroleum Corp. | -141.79 |
| 08/17/15 | 21114 | Trans Union LLC | -79.70 |
| 08/17/15 | 21115 | State Water Resources Control Board-NPDES | -500.00 |
| 08/17/15 | 21116 | San Benito County Water District | -211,567.19 |
| 08/24/15 | 21117 | Trudy Barker | -87.34 |
| 08/24/15 | 21118 | Eclarin, Ernesto P. | -128.00 |
| 08/24/15 | 21119 | Jackson, Patrick W. | -150.00 |
| 08/24/15 | 21120 | JEREMY GRINKEY | -18.91 |
| 08/24/15 | 21121 | MARY HAMMOND | -165.55 |
| 08/24/15 | 21122 | VICTOR & ANGELA LOPEZ | -243.20 |
| 08/24/15 | 21123 | MRL GROUP INC | -62.77 |
| 08/24/15 | 21124 | CATHY J SMITH | -39.21 |
| 08/24/15 | 21125 | RITA VALENCIA | -35.52 |
| 08/24/15 | 21126 | A-1 Services | -403.00 |
| 08/24/15 | 21127 | Bianchi Kasavan & Pope, LLP | -3,753.90 |
| 08/24/15 | 21128 | City of Hollister-Finance Dept. | -344,474.02 |
| 08/24/15 | 21129 | CM Analytical, Inc. | -1,212.50 |
| 08/24/15 | 21130 | De Lay & Laredo | -2,000.00 |
| 08/24/15 | 21131 | Hach Company | -473.90 |
| 08/24/15 | 21132 | Performance Agriculture | -1,069.50 |
| 08/24/15 | 21133 | Toro Petroleum Corp. | -1,107.53 |
| 08/24/15 | 21134 | Employment Dev. Dept. (EDD) DE88 Pmts. | -8,222.17 |
| 08/31/15 | 21135 | CalPERS - Retirement | -1,036.00 |
| 08/31/15 | 21136 | CalPERS - Retirement | -630.11 |
| 08/31/15 | 21137 | Nationwide Retirements Solutions | -12,740.73 |
| 08/31/15 | 21138 | CalPERS - Health Insurance | -15,604.34 |
| 08/31/15 | 21139 | CalPERS - Retirement | -22,142.91 |
| 08/31/15 | 21140 | HealthSmart Benefit Solutions, Inc. (VSP) | -336.93 |
| 08/31/15 | 21141 | Premier Access Insurance Co. | -3,231.85 |
| 08/31/15 | 21142 | Dearborn National Life Insurance Company | -288.00 |
| 08/24/15 | 21143 | Postmaster | -250.57 |
| 08/31/15 | 21144 | AT&T | -383.11 |

| Date | Number | Name | Amount |
|----------------------------|---------------|-------------------------------------|-----------------------------|
| 08/31/15 | 21145 | BHI Management Consulting | -500.00 |
| 08/31/15 | 21146 | Bracewell Engineering, Inc. | -126.00 |
| 08/31/15 | 21147 | Brenntag Pacific, Inc. | -13,036.92 |
| 08/31/15 | 21148 | Brigantino Irrigation | -9.88 |
| 08/31/15 | 21149 | Calgon Carbon Corporation | -42,074.03 |
| 08/31/15 | 21150 | Edges Electrical Group | -200.97 |
| 08/31/15 | 21151 | Everbank Commercial Finance, Inc. | -224.60 |
| 08/31/15 | 21152 | Hach Company | -109.42 |
| 08/31/15 | 21153 | Hollister Auto Parts, Inc. | -55.87 |
| 08/31/15 | 21154 | Neopost USA, Inc. | -2,297.88 |
| 08/31/15 | 21155 | Palace Business Solutions | -395.45 |
| 08/31/15 | 21156 | Performance Agriculture | -1,035.00 |
| 08/31/15 | 21157 | Petty Cash | -23.01 |
| 08/31/15 | 21158 | Postal Graphics | -24.62 |
| 08/31/15 | 21159 | Postmaster | -1,978.77 |
| 08/31/15 | 21160 | Radio Shack (Crystal T.V.) | -55.52 |
| 08/31/15 | 21161 | Razzolink.com | -209.85 |
| 08/31/15 | 21162 | Stargazer Packaging | -513.86 |
| 08/31/15 | 21163 | Verizon Wireless | -381.09 |
| 08/31/15 | 21164 | Wright Bros. Indust. Supply | -145.13 |
| 09/08/15 | 21165 | Ace Hardware (Johnson Lumber Co.) | -304.99 |
| 09/08/15 | 21166 | All Star Ready Mix, LLC | -190.42 |
| 09/08/15 | 21167 | Allied Electronics, Inc. | -119.14 |
| 09/08/15 | 21168 | AT&T | -182.97 |
| 09/08/15 | 21169 | Auto Tech Service Center, Inc. | -73.76 |
| 09/08/15 | 21170 | Brenntag Pacific, Inc. | -1,932.06 |
| 09/08/15 | 21171 | Calif. Overhead Door | -490.00 |
| 09/08/15 | 21172 | CM Analytical, Inc. | -1,965.00 |
| 09/08/15 | 21173 | Corix Water Products | -2,572.16 |
| 09/08/15 | 21174 | CWSRF Accounting Office | -759,974.56 |
| 09/08/15 | 21175 | Ferguson Enterprises, Inc. | -172.43 |
| 09/08/15 | 21176 | Hach Company | -1,502.95 |
| 09/08/15 | 21177 | Mark Nicholson, Inc. | -10,070.61 |
| 09/08/15 | 21178 | Mission Uniform Service | -626.30 |
| 09/08/15 | 21179 | O'Reilly Auto Parts | -26.53 |
| 09/08/15 | 21180 | P G & E | -28,390.17 |
| 09/08/15 | 21181 | Palace Business Solutions | -1,087.29 |
| 09/08/15 | 21182 | Pantera Shredding | -351.00 |
| 09/08/15 | 21183 | Postmaster | -56.80 |
| 09/08/15 | 21184 | San Benito County Water District | -3,290.97 |
| 09/08/15 | 21185 | San Benito Tire, Inc. | -1,434.91 |
| 09/08/15 | 21186 | South Valley Internet, Inc. | -20.45 |
| 09/08/15 | 21187 | U.S. Bank Corporate Payment Systems | -4,587.10 |
| 09/08/15 | 21188 | USA BlueBook | -292.82 |
| Total Disbursements | | | <u>-1,733,297.40</u> |

Director Johnson asked several questions regarding various checks on the disbursement list, and Finance & Human Resource Manager Cathy Buck responded with satisfactory answers to Director Johnson.

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

G. NEW BUSINESS:

- 1. CONSIDER APPROVAL OF AMENDMENTS TO POLICY #7070, #8100, AND #8150 TO INCREASE CASH/TRAVEL ADVANCE FROM \$50/\$75 PER DAY TO \$100 PER DAY, AND PETTY CASH REIMBURSEMENTS FROM \$50 TO \$100:**

Cathy Buck, Finance Manager, explained that a few Board members requested the Policy & Procedure Committee review the cash advance per day, petty cash advance/reimbursement limits, the travel advance per day, and meal expense reimbursement allowed per breakfast, lunch, and dinner when traveling on District business.

The Policy & Procedures Committee met on August 11, 2015 and discussed the current allowances/limits in each policy, and are recommending the following changes:

Policy #7070.2 – Amend the cash advance from up to \$50 per day to \$100 per day.

Policy #8100.2 A. – Amend the maximum petty cash advance from \$50 to \$100 per day.

Policy #8100.4 – Amend “out-of-Pocket” policy for reimbursements out of petty cash to be from “up to \$50” to “up to \$100” and reimbursements by Expense Report to be from “over \$50” to “over \$100”.

Policy #8150.1 A. 1. – Amend petty cash reimbursement from “under \$50” to “under \$100”.

Policy #8150.1 A. 2. – Amend Expense Report reimbursement from “over \$50” to “over \$100”.

Policy #8150.1 I – Amend the travel advance of up to \$75 per day to \$100 per day.

Ms. Buck explained that the full body of each policy was provided to the Board for their reference. The Committee supports the policy amendments and recommends adoption by the full Board.

Director Johnson asked what the process was for purchases costing less than \$1,000 under Policy #8100.1 A. Ms. Buck explained that if an employee sees a need to purchase something for the District, they would go to their manager with the request and the manager would determine if the purchase was necessary, and the manager would provide a verbal determination of approval or denial.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 4-0 (Director Alcorn absent), the Board approved Amendments to Policy #7070, #8100, and #8150 to increase cash/travel advances from \$50/\$75 per day to \$100 per day, and petty cash reimbursements from \$50 to \$100.

- 2. CONSIDER ADOPTION OF RESOLUTION NO. 538 OPPOSING A PUBLIC GOODS CHARGE OR WATER BILL TAX IMPOSED BY THE STATE:** General Manager/Secretary Ridenhour stated that the Association of California Water Agencies (ACWA) has alerted the District of proposed legislation by the State that would place a tax on water bills to fund water conservation and water infrastructure projects throughout the State. Establishing a permanent statewide tax on water bills under the heading of emergency drought relief is misleading and could jeopardize local efforts to fund water related projects. Water agencies throughout the State have made, and continue to make, significant local investments in water management programs and infrastructure. According to a recent report by the Public Policy Institute of California, local water and wastewater agencies are spending more than \$25 billion a year on local water-related programs and projects. State and Federal agencies spend just a fraction of that on water in California each year. These local investments have prepared local water agencies to respond successfully to the current drought and have shielded the state’s economy from the drought’s most severe impacts over the past four years.

While there is clearly a need to fund sensible long-term solutions and assist disadvantaged communities that do not have safe drinking water, a tax on water bills paid by a subset of Californians is not the solution. Further, by redistributing local ratepayer dollars to areas

that have been unable to fund water system investments, agencies that already have made significant investments in water efficiency and local water supply needs would be unfairly penalized. A public goods charge on water also would make it more difficult and costly for agencies to fund critical local projects and programs.

A State public goods charge on water is contrary to local control and accountability. Local water agencies are best suited to identify their needs and appropriate ways to spend locally generated revenues. Layering an additional tax on water bills in order to send money to Sacramento, where a portion will be carved out to fund another layer of administration, is not efficient and is not an appropriate solution or sound policy. It will make water less affordable. More appropriate funding sources, such as the State's general fund, should be pursued to address a problem that is in the general public's interest to solve. With income tax making up a good part of the state's general fund, Californians with higher incomes would be contributing more and Californians with lower incomes would contribute less.

It is disturbing that the State is rushing legislation forward that could seriously impact local water agencies ability to fund local infrastructure and is not allowing time or opportunity for local agency input or comments. The proposed resolution opposes a State imposed water bill tax and would send a message to the State that a water bill tax is not the appropriate way to fund water projects for disadvantaged communities and other State water infrastructure projects. If adopted, a copy of the resolution will be mailed to our State representatives for San Benito County and to ACWA.

General Manager/Secretary Ridenhour informed the Board that he recently received an email from ACWA, informing the District that State has currently put the proposed statewide tax on water bills on hold, but ACWA is recommending that Districts adopt the resolution to send a message to the State because they expect the water bill tax to be taken up in January.

Director Villalon asked if the proposed tax was intended just for the disadvantaged communities or if the money would be equally disbursed between all communities. General Manager/Secretary Ridenhour stated that according to ACWA, the reason behind the tax was for a funding source specifically for the disadvantaged communities, but that the State has general funds which they could use to help.

Upon motion made by Director Johnson, seconded by Director Meraz, and carried 4-0 (Director Alcorn absent), the Board adopted Resolution No. 538 opposing a Public Goods Charge or Water Bill Tax imposed by the State.

3. CONSIDER APPROVAL OF AN AGREEMENT FOR JOINT REPRESENTATION BY MACKENZIE & ALBRITTON LLP TO REPRESENT VERIZON WIRELESS AND THE DISTRICT IN LITIGATION TO CONFIRM ACCESS RIGHTS TO THE FAIRVIEW WATER TANK PROPERTY (APN 025-190-067) AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE

AGREEMENT: General Manager/Secretary Ridenhour explained that the District has been in negotiations with Verizon Wireless to lease property for the purposes of a wireless antenna site at the District's Fairview Road Water Tank Property (APN 025-190-067). The terms of the lease are nearly complete and the last remaining issue is for Verizon Wireless to perfect an easement to the site allowing them to access and maintain their future antenna facilities. Litigation may be necessary to perfect the easement and Verizon is requesting a joint representation agreement that will allow their attorneys to proceed with a quiet title action or other necessary legal activities to perfect the easement to the District's tank site. The lease with Verizon Wireless facilities will be brought to the Board for consideration in the next few months and must be complete for Verizon Wireless to proceed with acquisition of the easement.

The District constructed a 3.5 million gallon water tank on property acquired in 2002. The District's tank sits adjacent to and is connected to a 2.0 million gallon water tank and pipeline connecting the facilities to Fairview Road. The 2.0 million gallon tank and pipeline were constructed by the City of Hollister in 1964. The easement Verizon Wireless is attempting to perfect runs over the existing roadway and pipeline that has been in continuous use for water facility purposes since 1964. Neither the City of Hollister, nor the District have written documentation of an easement over the access road and pipeline to the two water tanks. The continuous use of the road and pipeline give the District a prescriptive right to use the access, but these rights are not transferrable to Verizon Wireless. The City of Hollister approved execution of documents transferring the ownership of their 2.0 million gallon tank and pipeline to the District on September 8, 2015.

General Manager/Secretary Ridenhour stated that it is in the District's interest to perfect the easement for water utility purposes and for Verizon Wireless facilities over the access road connecting Fairview Road to the District's property to allow the lease to move forward. As a condition of the lease, the District staff have requested the perfected easement, an electrical power connection at the site, an all-weather access road to be constructed to the site, and for Verizon to compensate the District for an approximate amount of \$12,000 per year. Mr. Ridenhour stated that he will be checking with other property owners on the rental income because the approximate \$12,000 figure is from some time ago when Verizon initially began negotiations with the District.

General Manager/Secretary Ridenhour stated that the District's Attorney has reviewed the proposed Agreement for Joint Representation and believes it adequately protects the District's interests.

Upon motion made by Director Meraz, seconded by Director Villalon, and carried 4-0 (Director Alcorn absent), the Board approved an agreement for Joint Representation by Mackenzie & Albritton LLP to represent Verizon Wireless and the District in litigation to confirm access rights to the Fairview Water Tank Property (APN 025-190-067) and authorizes the General Manager to execute the agreement.

H. BOARD COMMITTEE and STATUS REPORTS

- 1. Governance Committee:** No meeting held; next meeting scheduled for September 28th at 5:00 pm.
- 2. Water/Wastewater Committee:** General Manager/Secretary Ridenhour reported no meeting held and he is in the process of scheduling a meeting for next week.
- 3. Finance Committee:** No meeting held.
- 4. Policy and Procedure Committee:** No meeting held; next meeting is scheduled for October 13th.
- 5. Personnel Committee:** No meeting held.
- 6. Water Resources Association of San Benito County (WRA):** Director Johnson reported no meeting held as they meet quarterly, next scheduled meeting is set for October 1st at 4:00 pm.
- 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 August 31, 2015), Statement of Income (thru July 31, 2015), and Investment Summary (thru August 31, 2015). Director Johnson had several questions on the monthly written narrative report that Cathy Buck prepared. Director Johnson commented on the Operations Summary report of reduced water sales for the current fiscal year compared to last fiscal year, and that 21 more customers have been added to the District compared to the same month last year. She pointed out that the District has lower sales with more customers, and expenses are going up, due in part to the State regulations imposed on the District, which she feels is a big concern. General Manager/Secretary Ridenhour pointed out that the District's customers are in the conservation mode due to the drought, and at the point in time that we get much needed rain and are out of water shortage danger, customers may continue in the conservation mode due to adjustments they have made and have become accustomed to, which will continue to reduce the District's revenue. Director Johnson also asked about the "normal range" alluded to in the report for the past due percentage of accounts receivable, and asked how that is determined. Ms. Buck explained that the past due amount as a percentage of the total balance owed by customers and varies from month to month, which usually peaks in the November-December time frame due to customer cash constraints at Christmas time. The past due percentage is usually lower during the late winter months when bills are at their lowest cost. Ms. Buck looked at the range for fiscal year ended June 2015, and found the range was from 7.72% (April 2015) to 11.26% (November 2014). She would call this the "normal range".

Director Johnson also asked about the reported need to have an adequate checking account balance, and Ms. Buck explained that the bank charges various fees for the services they provide to the District, and in order to avoid paying those charges, the District needs to maintain an average balance of approximately \$2.1 million dollars. With interest rates so low, we cannot invest those dollars at a high enough rate to exceed the service charges we can avoid by keeping the dollars in the checking account.

The District's Investment Summary report reflects the total cash balance as of August 31, 2015 of \$8,873,562.36, which includes two months posted interest totaling \$4,748.33 (which is the equivalent of 5 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 August 2015, Maintenance Staff Report and asked if the Board had any questions. Director Johnson asked various questions, which Mr. Filice answered.

Director Villalon inquired about #13 on the report regarding staff meeting with the Division of Drinking Water regarding blending of Wells 7 & 11 to meet Chromium 6 water quality standards. Mr. Filice responded that the District has been issued a temporary permit to operate the system and will continue with the testings to satisfy the Division of Drinking Water.

Review of the Meter Reading Report for the period July 16, 2015 to August 17, 2015, reflects the intertie meter data indicates the City received 15.9% of Lessalt water, while the District received 84.1%. Mr. Filice stated that the City of Hollister owes the District a little less water.

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

- 8. Active Tasks Update:** General Manager/Secretary Ridenhour reported that the water conservation numbers continue to be greater than the State's mandate, with a 32% reduction in August. He will continue to monitor and will possibly ramp down the

conservation efforts for fall.

The rehabilitation of the 0.5 MG Ridgemark tank is complete and the tank is back on line. The rehabilitation of the 3.5 MG Fairview tank is nearing completion and work on the 1.0 MG tank at Ridgemark has begun. One significant change order, requiring the removal of the exterior paint from the roof of the 3.5 MG Fairview tank and recoating with 3 coats will increase the cost approximately \$25,000 but will still be well below our 10% contingency.

General Manager/Secretary Ridenhour reported that the City of Hollister approved and authorized execution of documents transferring their 2.0 MG water tank, pipeline, and property on Fairview Road to the District at their September 8, 2015 meeting.

San Benito County Water District awarded the contract on August 26th to Auburn Constructors for construction of the West Hills Water Treatment Plant, and work is expected to begin this week.

General Manager/Secretary Ridenhour explained that he will be participating in a group of presenters at the San Benito County Water Information Forum being held at San Juan Oaks later this week, on September 17th, with Shawn Novack, Harry Blohm, and Jeff Cattaneo. The Forum is being put on by the San Benito Business Council. The group will be briefing the attendees on the Hollister Water Project, San Benito County water supplies, and water conservation efforts by local agencies. The presentation slides will be posted on the District's website.

I. BOARD and STAFF REPORTS

1. **Directors:** No report.
2. **District Counsel:** Attorney Quinn reminded Board and staff that DeLay and Laredo, Attorneys at Law, will be holding an open house on Friday, September 18th in Pacific Grove, from 4:00pm – 6:30pm and all are welcome to come.
3. **Finance and Human Resource Manager:** No report.
4. **General Manager:** General Manager/Secretary Ridenhour reported that he will be on vacation from September 18th through September 22nd, returning to work on September 23rd.

J. FUTURE AGENDA ITEMS: Discussion regarding State Conservation Programs.

K. ADJOURNMENT: President Hill adjourned the meeting at 6:27 p.m.

APPROVED BY THE BOARD: s/ Kathleen A. Hill

Kathleen A. Hill, President

RESPECTFULLY SUBMITTED: s/ Donald G. Ridenhour

Donald G. Ridenhour, Secretary