

**MINUTES  
BOARD OF DIRECTORS  
SUNNYSLOPE COUNTY WATER DISTRICT  
Regular Meeting  
April 9, 2014**

- A. CALL TO ORDER:** The meeting was called to order at 5:15 p.m. by President Villalon, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. ROLL CALL: Present:** President Danny Villalon; Directors Dave Clapham, Kathleen Hill, John M. Johnson, and Dave Meraz.
- C. PLEDGE OF ALLEGIANCE:** Director Hill led Directors, staff, and public in the Pledge of Allegiance.
- D. APPROVAL OF AGENDA:** Upon motion made by Director Meraz, seconded by Director Johnson, 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.

Mr. Robert Huenemann made a comment regarding a matter not on the agenda, stating that he has been in contact with San Benito County Planning Department and several prospective housing developers to get an idea as to where things stand with future development. Mr. Huenemann suggested that the District not count on income of future development in the very near future, as none of the developers are breaking ground at this point.

**Staff present for Open Session:** General Manager/Secretary Don Ridenhour; Attorney David Laredo; Executive Assistant/Stenographer Carol Porteur; Finance and Human Resource Manager Cathy Buck; Water/Wastewater Superintendent Jim Filice, and Associate Engineer Sean Knight.

**Others present:** San Benito High School students, Leo Vasquez of Water Resources Association, Robert Huenemann, and the parent of an attending high school student.

**F. CONSENT AGENDA:**

- 1. Approval of Minutes –Regular Meeting of March 12, 2014.
- 2. Allowance of Claims – Ratify disbursements for the period March 5, 2014 through April 1, 2014 totaling \$719,454.08, which includes \$384,316.21 paid to vendors and for employee compensation, \$332,776.89 paid to the City of Hollister for collection of their customer’s sewer billings, and \$2,360.98 paid to customers to refund overpayments and deductions for checks returned for insufficient funds. The last check written as of April 1, 2014 was #19577. The list of disbursements is as follows:

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
03/14/14	ACH 0572	EFTPS	-318.50
03/05/14	ACH 0573	RETURNED CHECK (Ck Ret 03-01)	-191.90
03/12/14	ACH 0574	RETURNED CHECK (Ck Ret 03-02)	-305.51
03/13/14	ACH 0575	RETURNED CHECK (Ck Ret 03-03)	-311.32
03/31/14	ACH 0576	EFTPS	-20,987.04
03/19/14	ACH 0577	RETURNED CHECK (Ck Ret 03-04)	-180.59
03/25/14	ACH 0578	RETURNED CHECK (Ck Ret 03-05)	-134.96
03/26/14	ACH 0579	RETURNED CHECK (Ck Ret 03-06)	-149.40
03/18/14	ACH 0580	RETURNED ACH (ACH Ret 03-01)	-28.40
03/21/14	ACH 0580A	RE-DEPOSIT RETURNED ACH 03-01	28.40

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Amount</b>
03/18/14	ACH 0581	RETURNED ACH (ACH Ret 03-02)	-231.39
03/19/14	ACH 0582	RETURNED ACH (ACH Ret 03-03)	-125.08
03/14/14	DD 1066	Clapham, David G	-266.05
03/14/14	DD 1067	Johnson, John M	-266.05
03/14/14	DD 1068	Meraz, David E	-183.70
03/14/14	DD 1069	Villalon, Daniel	-252.05
03/31/14	DD 1070	Alvarez, Abel	-4,890.77
03/31/14	DD 1071	Brill, Kelly L.	-4,892.77
03/31/14	DD 1072	Buck, Cathy L.	-6,772.45
03/31/14	DD 1073	Castro, Kevin G.	-4,386.50
03/31/14	DD 1074	Chavez, Jr., Manuel T.	-6,441.71
03/31/14	DD 1075	Eclarin, Ernesto P.	-4,555.60
03/31/14	DD 1076	Estrada, Thomas A.	-4,496.95
03/31/14	DD 1077	Filice, James L.	-6,573.46
03/31/14	DD 1078	Hagins, Patrick M.	-4,536.07
03/31/14	DD 1079	Jackson, Patrick W.	-6,604.13
03/31/14	DD 1080	Knight, Sean W.	-5,639.22
03/31/14	DD 1081	Malko, Kim A.	-2,530.54
03/31/14	DD 1082	Norman, III, Walter R.	-6,178.27
03/31/14	DD 1083	Padilla, David	-5,537.23
03/31/14	DD 1084	Porteur, Carol A.	-4,007.09
03/31/14	DD 1085	Ridenhour, Donald G	-9,837.42
03/31/14	DD 1086	Watson, Scott A.	-4,869.55
03/31/14	DD 1087	Zavala, Anabel G.	-4,162.05
03/05/14	19472	Corix Water Products	-482.45
03/10/14	19473	AT&T	-460.87
03/10/14	19474	Atlas Copco Compressors, Inc.	-2,919.42
03/10/14	19475	Borges & Mahoney	-329.68
03/10/14	19476	Bracewell Engineering, Inc.	-126.00
03/10/14	19477	City of Hollister-Finance Dept	-19.47
03/10/14	19478	Electrical Distributors Co.	-18.86
03/10/14	19479	Everbank Commercial Finance, Inc.	-224.60
03/10/14	19480	Gabilan Welding, Inc.	-10.75
03/10/14	19481	Mc Master-Carr	-120.56
03/10/14	19482	McGilloway, Ray, Brown & Kaufman	-275.00
03/10/14	19483	P G & E	-16,704.33
03/10/14	19484	Quinn Company	-1,330.01
03/10/14	19485	Recology San Benito County	-124.80
03/10/14	19486	San Benito County-Environ. Health Div.	-1,491.00
03/10/14	19487	San Benito County Water District	-219.50
03/10/14	19488	South Valley Internet, Inc.	-20.45
03/10/14	19489	South Valley Newspapers (Main St Media)	-43.45
03/10/14	19490	Staples	-74.32
03/10/14	19491	Stargazer Packaging	-473.49
03/10/14	19492	Top Health-Safety/Personal Best	-479.28
03/10/14	19493	Toro Petroleum Corp.	-1,505.72
03/10/14	19494	U.S. Bank Corporate Payment Systems	-320.57
03/10/14	19495	Underground Service Alert	-103.50
03/10/14	19496	Union Bank of California, N.A. (SF)	-100,543.01
03/14/14	19497	Hill, Kathleen A	-328.40
03/17/14	19498	Porteur, Carol A.	-113.53
03/17/14	19499	A-1 Services	-373.00
03/17/14	19500	AutomationDirect.com	-580.00
03/17/14	19501	Bianchi Kasavan & Pope, LLP	-1,596.00
03/17/14	19502	City of Hollister-Finance Dept	-332,776.89
03/17/14	19503	CM Analytical, Inc.	-2,125.00
03/17/14	19504	De Lay & Laredo	-3,715.50
03/17/14	19505	Everbank Commercial Finance, Inc.	-226.87
03/17/14	19506	First Trust Alarm Company	-1,094.00
03/17/14	19507	Grainger, Inc.	-29.98
03/17/14	19508	Green Rubber Kennedy Ag	-219.77
03/17/14	19509	Kart Man's, The	-178.45
03/17/14	19510	Monterey Bay Systems	-1,496.69

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Amount</b>
03/17/14	19511	National Notary Association	-59.00
03/17/14	19512	Power Equipment Co.	-3.20
03/17/14	19513	San Benito County-LAFCO	-1,000.00
03/17/14	19514	South Valley Newspapers (Main St Media)	-122.45
03/17/14	19515	Staples Advantage	-469.86
03/17/14	19516	USA BlueBook	-406.65
03/17/14	19517	Wright Bros. Welding & Sheet Metal, Inc.	-120.61
03/17/14	19518	City of Hollister-Finance Dept	-391.42
03/24/14	19519	B S K Analytical Laboratories, Inc.	-3,774.00
03/24/14	19520	Bracewell Engineering, Inc.	-126.00
03/24/14	19521	Bryce Consulting, Inc.	-1,585.50
03/24/14	19522	Cal-Sierra Technologies, Inc.	-177.33
03/24/14	19523	CM Analytical, Inc.	-1,780.00
03/24/14	19524	EBCO Pest Control	-55.00
03/24/14	19525	John Smith Road Landfill	-60.80
03/24/14	19526	Maverick Welding Supply, Inc.	-5.03
03/24/14	19527	PAPA	-160.00
03/24/14	19528	Postal Graphics (was Post Net)	-32.55
03/24/14	19529	Postmaster	-129.60
03/24/14	19530	San Benito County Water District-Pumping	-18,270.65
03/24/14	19531	Stargazer Packaging	-473.49
03/24/14	19532	Thomson West	-68.36
03/24/14	19533	Wright Bros. Welding & Sheet Metal, Inc.	-368.25
03/24/14	19534	Postmaster	-239.18
03/31/14	19535	Employment Dev. Dept. (EDD) DE88 Pmts.	-8,561.33
03/31/14	19536	CalPERS - Retirement	-1,036.00
03/31/14	19537	Nationwide Retirements Solutions	-11,754.16
03/31/14	19538	United Way of Santa Cruz	-90.00
03/31/14	19539	CalPERS - Health Insurance	-15,472.53
03/31/14	19540	CalPERS - Retirement	-29,870.38
03/31/14	19541	Dearborn National Life Insurance Company	-288.00
03/31/14	19542	Premier Access Insurance Co.	-3,676.95
03/31/14	19543	HealthSmart Benefit Solutions, Inc. (VSP)	-347.38
03/26/14	19544	DLT Solutions Inc.	-2,795.10
03/31/14	19545	ROBIN CARO	-61.36
03/31/14	19546	LETICIA CEJA	-76.93
03/31/14	19547	RON CULLER	-39.64
03/31/14	19548	DARREN & MARYHELEN FERNSTROM	-62.13
03/31/14	19549	ALMA GONZALEZ	-43.50
03/31/14	19550	TY MARTIN	-35.52
03/31/14	19551	MILLER HOMES INC	-169.33
03/31/14	19552	LAURA MINKEL	-11.38
03/31/14	19553	RICHARD & DELORES PEREZ	-8.41
03/31/14	19554	BRIANA ROY	-63.81
03/31/14	19555	ELIZABETH SOSA	-49.68
03/31/14	19556	JASON WILLIAMS	-109.14
03/31/14	19557	ACWA/JPIA	-10,161.62
03/31/14	19558	AT&T	-230.01
03/31/14	19559	B.W.S. Distributors, Inc.	-490.37
03/31/14	19560	Corix Water Products	-1,704.01
03/31/14	19561	Hach Company	-460.64
03/31/14	19562	Hollister Auto Parts, Inc.	-71.75
03/31/14	19563	Itron, Inc.	-759.44
03/31/14	19564	Mc Kinnon Lumber Co., Inc.	-585.83
03/31/14	19565	Mid Valley Supply	-414.95
03/31/14	19566	NH3 Service Company	-987.28
03/31/14	19567	Northern Tool & Equipment Co.	-174.92
03/31/14	19568	O'Reilly Auto Parts	-69.43
03/31/14	19569	Palace Art & Office Supply	-463.84
03/31/14	19570	Pentair Valves & Controls US LP	-239.90
03/31/14	19571	Postmaster	-1,905.93
03/31/14	19572	Radio Shack (Crystal T.V.)	-133.41
03/31/14	19573	Razzolink.com	-195.85

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
03/31/14	19574	Staples Advantage	-64.35
03/31/14	19575	Toro Petroleum Corp.	-1,334.20
03/31/14	19576	Verizon Wireless	-371.55
03/31/14	19577	Petty Cash	-42.72
<b>Total Disbursements</b>			<b>-719,454.08</b>

Upon motion made by Director Meraz, seconded by Director Clapham, and carried 5-0, the Board approved the Consent Agenda as presented.

**G. NEW BUSINESS:**

**1. CONSIDER PROCLAIMING MAY 2014 AS “WATER AWARENESS MONTH”:**

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. General Manager/Secretary Ridenhour praised Leo Vasquez from the Water Resources Agency for the fantastic job he does working with and for the different water agencies in helping customers on water conservation. Mr. Vasquez was appreciative of the compliment and stated that it is his mission to help the customers in any way he can for their benefit as well as for water conservation.

President Villalon asked if businesses and schools were part of the water conservation outreach and General Manager/Secretary Ridenhour responded that he knows that Shawn Novack does a lot of water conservation outreach to the schools with tours of our and the City’s facilities and thinks he may include some of the local businesses as well.

President Villalon asked for any public comment; none was received. Upon motion made by Director Hill, seconded by Director Johnson, and carried 5-0, the Board approved the proclamation that the Month of May 2014 be recognized as Water Awareness Month.

General Manager/Secretary Ridenhour read aloud the Proclamation prepared by Shawn Novack of the Water Resources Agency which encourages everyone to find ways to save water both at work and at home.

**2. CONSIDER APPROVAL OF THE PURCHASE OF A FOLDER/INSERTER MACHINE TO REPLACE EQUIPMENT NO LONGER SERVICED AT A COST NOT TO EXCEED \$12,500 BEFORE SALES TAX:**

Finance & Human Resource Manager Cathy Buck explained that in June 2010, the District received a letter from Neopost advising that the serviceability end date for our Neopost SI-68 would be September 30, 2011. After vehemently complaining, Neopost agreed to continue service to the equipment for a few more years. In November, 2013, and again in December, 2013, we received letters from Neopost that they were again going to have to end the serviceability for our Neopost SI-68 equipment, since they cannot guarantee they can find the necessary repair parts should the equipment break, effective January 3, 2014. We have been using the equipment without a service agreement since January 2014.

Ms. Buck stated that we process approximately 5400 bills every month and include a bill insert approximately 9-10 months per year. Ms. Buck explained that two vendors gave us a demonstration of their machines; Neopost, the DS-75 and Pitney Bowes, the DI 380. Ms. Buck commented that the Neopost DS-75 is similar to our existing machine and staff knows how it works and have had few problems over the years. Pitney Bowes equipment was considerably noisier, required a lot of attention to feed paper and envelopes, and was less suited for loading bills and envelopes on the fly. Staff’s first choice is the Neopost DS-75 w/maxi feeder at a cost of \$12,446.85 with an annual maintenace cost of \$2,297.88, which would begin one year after purchase, and that maintenance fee would

be locked in for four years. The staff's second choice is the Pitney Bowes DI 425 with a power stacker at a cost of \$9,841.00 with an annual maintenance cost of \$1,643.00, and that fee would start 90 days after delivery of the equipment and increase 2% - 3% annually. Ms. Buck stated that since Pitney Bowes requires the first annual maintenance fee 90 days after the delivery of equipment, you should include that amount in the actual cost to compare apples-to-apples with the Neopost equipment since their annual maintenance is included for the first year, making the Pitney Bowes DI 425 with power stacker a total first year cost of \$11,484.00 (which is less than one thousand dollars difference in price).

The Directors discussed the Pro's and Con's comments given by staff after receiving the vendor demonstrations. Director Meraz stated that the Finance Committee met and discussed the folder/insertor machine purchase and feels that staff uses the equipment on a monthly basis and would be the most knowledgeable on which equipment to purchase.

President Villalon asked for any public comment; none was received. Upon motion made by Director Meraz, seconded by Director Hill, and carried 5-0 the Board approved the purchase of the Neopost DS-75 folder/insertor machine with the maxi feeder to replace equipment no longer serviced at a cost of \$12,446.85 before sales tax.

- 3. CONSIDER AUTHORIZING THE GENERAL MANAGER TO ORDER AND PURCHASE TWO REPLACEMENT SERVICE TRUCKS AT A TOTAL COST OF APPROXIMATELY \$72,015:** General Manager/Secretary Ridenhour explained that the District's service vehicles are aging and the financial plan developed as part of the new water and wastewater rates anticipated replacing one vehicle per year beginning in fiscal year 2013/2014. Staff is requesting authorization to replace two vehicles, which will cover replacement of one vehicle each year for fiscal year 2013/2014 and 2014/2015.

General Manager/Secretary Ridenhour explained that the vehicles to be taken out of service are the two  $\frac{3}{4}$  ton 1999 GMC trucks with odometer readings of 144,585 and 115,394 miles. Both trucks are beginning to experience elevated maintenance costs and have averaged \$1,700 per year over the last three years, which does not include time spent by District staff performing minor repairs.

The total cost of the new trucks will be approximately \$36,007 per vehicle, which includes service body installed, tax, and delivery. Prices are from the State of California bids and the trucks are proposed to be purchased from Winner Chevrolet/Elk Grove Dodge who is the State low bid dealership.

President Villalon asked for any public comment; none was received. Upon motion made by Director Clapham, seconded by Director Hill, and carried 5-0, the Board authorized the General Manager to order and purchase two replacement service trucks at a total cost of approximately \$72,015.

- 4. CONSIDER APPROVAL OF AN UPDATE TO POLICY NO. 7020 AND CONFIRMATION OF THE BOARD PRESIDENT'S ASSIGNMENT OF QUARTERLY DISTRICT CHECK SIGNING DUTIES:** General Manager/Secretary Ridenhour explained that at the January 2014 Board Meeting, the Board President assigned Directors to each of the standing Committees and the Board ratified the assignments. There was discussion regarding the assignment of check signing duties and various recommendations were made including rotating the assignment. Review of the Policy on check signing duties was referred to the Policy and Procedures Committee for possible revisions.

Back in May of 2013, the policy was revised to compensate the Board member assigned to weekly check signing duties for the equivalent of one day of service per month. The

Policy and Procedures Committee reviewed Policy #7020 again and is recommending a revision to rotate the check signing responsibility on a quarterly basis. Policy #7020 will include the following revised statement, “The Director designated to perform weekly check signing duties will be compensated the equivalent of one day service per month, *rotating as assigned by the President of the Board on a quarterly basis.*”

General Manager/Secretary Ridenhour suggested the President assign duties for the remaining quarters of the year: second, April - June of 2014, third, July - September 2014, and fourth, October – December 2014. Director Hill performed the check signing duty for the first quarter of this year, January – March 2014.

President Villalon assigned Director Clapham for check signing duty for the second quarter of 2014, Director Johnson for the third quarter, and President Villalon for the fourth quarter.

President Villalon asked for any public comment; none was received. Upon motion made by Director Meraz, seconded by Director Johnson, and carried 5-0 the Board approved the update to Policy No. 7020 to include rotating on a quarterly basis and confirmation of the Board President’s assignment of District quarterly check signing duties.

**5. CONSIDER APPROVAL OF THE FOLLOWING DISTRICT POLICIES AND PROCEDURES:**

- a. **Improvement Standards (#9010)**
- b. **Environmental Review Guidelines (#9020)**
- c. **Annexation Procedures (#9030)**
- d. **Developer Requirements (#9040)**
- e. **Development Agreements (#9050)**

General Manager/Secretary Ridenhour explained that in 2012 and 2013, the attached policies were reviewed and modified to match both the District’s practices and necessary procedures to set improvement standards, environmental review guidelines, annexation procedures, developer requirements, and development improvement agreements. The policies were reviewed by the Policy and Procedure Committee and the District’s prior legal counsel. They were pulled from a previous Board agenda for further revision and were erroneously never brought back for approval after the final revisions were made. The Policy and Procedure Committee is now recommending the Board approve and adopt the policies.

President Villalon inquired about Article II – Applicability, #9020.5 Statutory Exemptions, B- Emergency Projects, in regards to the guidelines that would be followed in a case of emergency. General Manager/Secretary Ridenhour stated that these were basic guidelines for minor emergencies that the District staff would be able to take care of, but if a major emergency was declared, the State’s California Environmental Quality Act guidelines would be followed.

Director Meraz inquired about where the information was obtained to produce the policy, and General Manager/Secretary Ridenhour responded the policy information was taken from California Special District Association’s sample policy examples.

President Villalon asked for any public comment; none was received. Upon motion made by Director Meraz, seconded by Director Hill, and carried 5-0 the Board approved the District’s policy and procedures #9010 Improvement Standards; #9020 Environmental Review Guidelines; #9030 Annexation Procedures; #9040 Developer Requirements; and #9050 Development Improvement Agreements.

**BOARD PRESIDENT TO CONSIDER APPOINTMENT OF TWO BOARD MEMBERS TO SPECIAL AD-HOC COMMITTEE TO CONSIDER AND NEGOTIATE THE SALE OF EXCESS DISTRICT PROPERTY:**

General Manager/Secretary Ridenhour explained that staff has been contacted about the District's future plans for the Ridgemark II wastewater pond property, and the possible future sale of this property. Staff is recommending a special ad-hoc committee be formed consisting of two members of the Board of Directors, the General Manager, and additional District staff as needed to discuss, and if appropriate, negotiate the sale of District property.

As laid out in Policy #7060, the duties of the Board President include appointing Board Members to serve on the District's standing committees and appointments to special ad-hoc committees, which must then be confirmed by vote of the Board of Directors.

President Villalon then appointed Directors Meraz and Hill to serve on the District's special ad-hoc "Real Property Negotiating Committee", and appointed Director Johnson to serve as alternate.

President Villalon asked for any public comment; none was received. Upon motion made by Director Meraz, seconded by Director Clapham, and carried 5-0, the Board ratified the appointment of Directors Meraz and Hill, with Director Johnson as alternate, to a special ad-hoc "Real Property Negotiating Committee".

**H. BOARD COMMITTEE and STATUS REPORTS**

1. **Governance Committee:** General Manager/Secretary Ridenhour reported no meeting held; the next meeting is scheduled for April 23<sup>rd</sup>.
2. **Water/Wastewater Committee:** General Manager/Secretary Ridenhour reported that the committee met on March 27<sup>th</sup> to discuss the Ridgemark II Wastewater Pond Property negotiations with golf course owner; vehicle replacements-purchasing two new trucks; the ACWA Spring conference in Monterey May 5<sup>th</sup> – 9<sup>th</sup> ; sewer manhole rehabilitation; water modeling contract with HDR; and Lessalt Water Treatment Plant & pipeline construction update.
3. **Finance Committee:** Director Meraz reported no meeting held since the last Board meeting; the committee will need to meet soon to go over the fiscal year (FY) 2014/2015 budget draft.
4. **Policy and Procedure Committee:** General Manager/Secretary Ridenhour reported the committee met on March 26<sup>th</sup> and reviewed the draft Reserve Policy (#8600) and District Code revisions for Chapters 1 and 2.
5. **Personnel Committee:** General Manager/Secretary Ridenhour reported the committee met on April 4<sup>th</sup> to review and discuss the compensation survey with Bryce Consulting and asked for more information; and to set a contract negotiations schedule for the FY 2014/2015 negotiations with District staff.
6. **Water Resources Association of San Benito County:** Director Johnson reported that the next quarterly meeting is set for May 1<sup>st</sup>.
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 a narrative report on the District's Operations Summary (thru March 31, 2014), Statement of Income (thru February 28,

2014), and Investment Summary (thru March 31, 2014). Ms. Buck pointed out that the increase in water operations year-to-date net income of \$1,652,316 over last year for the same period is due primarily to the reimbursement of \$779,821 from San Benito County Water District for agreed upon expenses regarding the Lessalt Water Treatment Plant and the Hollister Urban Area Water Project, and due to receiving the return of its share of the Hollister-Sunnyslope Water Treatment Agency reserves of \$560,984 when the entity was dissolved in February.

The District's Investment Summary report reflects the total cash balance as of March 31, 2014 of \$5,901,970.97, which includes nine-months earned interest totaling \$3,818.51. Ms. Buck stated that with the increasing balance in the checking account and once the final State Revolving Fund Disbursement is received (expected to be \$670,669), she will consult with the General Manager and likely transfer more money to the LAIF account for investment.

Water/Wastewater Superintendent Jim Filice reviewed the March 2014 Maintenance Staff Report. Mr. Filice pointed out #11 on the list, reporting the 2013 Consumer Confidence Report is complete and should be mailed out this week. He also noted that the report is already available on the District's website. Director Meraz inquired about #2, digging up and replacing 3' of polyethylene water service on Heather Glen Circle and asked what the problem was. Mr. Filice stated that the line had pinholes in it. Director Meraz also asked about #6, digging up and crimping off four services on Joe's Lane to replace a broken curb stop. Mr. Filice explained that at that location there is one large service that branches off to several services, which meant that all of them had to be turned off for the repair. In the Jobs Completed table, Director Meraz questioned that twenty-one radio meters were replaced with new radio read meters, and Mr. Filice explained that the meters generally get replaced every ten years and it was time for those to be replaced. Director Hill asked if staff was still not flushing fire hydrants due to the drought situation and Mr. Filice stated that was correct, so Director Hill asked if instead of putting a zero for number completed in the month, if he would note that the job of flushing fire hydrants has been suspended.

During review of the Meter Reading Report for the period February 12, 2014 to March 12, 2014, Jim Filice noted the intertie meter data indicates the City received 49.5% of Lessalt water, while the District received 50.5%. He also noted that the City owes us a little more water than last month in looking at the ending water balance exchange.

Jim Filice reviewed the groundwater level report and noted that the wells are holding steady.

- 8. Active Tasks Update:** General Manager/Secretary Ridenhour reported on the Lessalt Water Treatment Plant Upgrade, stating the "finished water" tank has been completed and the "wash water" tank is under construction; and various site piping work is being installed.

The West Hills Water Treatment Plant has not received any comments on the EIR, and negotiations on the mitigation for salamander habitat continues with State and Federal wildlife agencies; and HDR has 50% of the design of the water treatment plant complete.

Discussion regarding an update to the Hollister Urban Area Water Master Plan (HUAWMP) is underway with the City of Hollister and San Benito County Water District. Harry Blohm, Project Manager for HUAWMP is currently working with HDR on an update for the North County groundwater bank and the West Hills pipeline to bring water across town.



HDR has the water system model for the District and the City of Hollister. Currently discussing an on-call contract with HDR to perform modeling for review of new development.

**I. BOARD and STAFF REPORTS**

**1. Directors:** Director Meraz commented that the ACWA Region 5 Tour and Program was very beneficial for the information received as well as the networking. Director Hill stated that she was amazed to learn at the Tour and Program that saltwater intrusion has reached two miles inland. President Villalon commented on the editorial that was recently published regarding the Director’s pay increase, as it was not a true statement because the item died for lack of a motion. Director Clapham added that in addition to incorrect information regarding the pay increase, the editorial stated that all Board members were attending the ACWA Region 5 Tour and Program, only three of the five Directors attended.

**2. District Counsel:** No report.

**3. Finance & HR Manager:** Cathy Buck reported that April is the month when we will be updating our sewer customers consumption factor (CF), and that two years ago the Board passed Ordinance No. 71 which states “In drought years, as determined by the Board of Directors, customers whose average winter water usage increased by 4 or more HCF for February and March over the prior year will have their increase capped at the prior year average plus 4 HCF”. Ms. Buck stated that with this year’s water usage in February and March, the monthly revenue would have increased approximately \$6,400, but with the drought adjustment this year, the District will be revenue neutral with an estimated monthly increase of approximately \$71. There were 186 customers whose usage went up more than 4 HCF, so their CF was limited to 4; there were 435 customers whose usage went up by 4 HCF or less; and there were 440 customers whose usage was less than last year.

Director Hill asked what incentive there was to lower your water usage if this adjustment would be done and General Manager/Secretary Ridenhour replied that the customer is still paying for all of the water used, the adjustment is only effecting their sewer rate. Director Meraz commented that there are many water Districts that just charge a flat rate for all customers whether they are a single person household or multiple person household.

**4. General Manager:** No report.

**J. FUTURE AGENDA ITEMS:** Bring the Reserve Policy to the Board for approval.

**K. ADJOURNMENT:** Upon motion made by Director Hill, seconded by Director Clapham, and carried 5-0, the meeting was adjourned at 6:18 p.m.

**APPROVED BY THE BOARD:** s/ Danny Villalon  
Danny Villalon, President

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