

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
February 10, 2011

A. CALL TO ORDER: The meeting was called to order at 5:15 p.m. by President Meraz, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

B. ROLL CALL: Directors Present: President Dave Meraz, Vice-President Doug Keck, Dawn Anderson, Dave Clapham, and Danny Villalon.

Others Present: Secretary Bryan Yamaoka, District Engineer Ken Girouard, Finance & Human Resource Manager Cathy Buck, Water Superintendent Jim Filice, Executive Assistant Carol Porteur, Attorney Lloyd Lowrey, and meeting stenographer Laura Wiener-Smolka.

C. EXECUTIVE SESSION: None.

D. REPORT ON ACTIONS TAKEN IN EXECUTIVE SESSION: None.

E. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS: There were no public comments.

F. READING OF MINUTES: Upon motion made by Director Anderson, seconded by Director Keck, and unanimously carried, the minutes of the January 5, 2011 special meeting were approved as presented. Upon motion made by Director Keck, seconded by Director Anderson, and unanimously carried, the minutes of the January 13, 2011 regular meeting were approved as presented.

G. OLD BUSINESS: None.

H. NEW BUSINESS

1. RECEIVE PRESENTATION ON HOLLISTER URBAN AREA WATER WASTEWATER MASTER PLAN AND COORDINATED WATER SUPPLY AND WASTEWATER TREATMENT PLAN PROGRAM EIR BY SAMANTHA SALVIA:

Secretary Yamaoka introduced Ms. Samantha Salvia who gave a presentation on the Hollister Urban Area Water and Wastewater Master Plan and Coordinated Water Supply and Treatment Plan Program EIR Update. During her report Ms. Salvia spoke about the long-term vision for water and wastewater management through 2023, which includes: water quality improvements; supply reliability; and infrastructure improvements. She noted that the Plan is a collaborative effort among the District, SBCWD, the City of Hollister, and the County of San Benito.

Ms. Salvia reviewed the EIR process which concluded with certification by San Benito County Water District, the lead agency, at its January 19th Board meeting. She noted that the EIR was conducted with maximum flexibility and does not address issues at a project level. The EIR looked at potential environmental impacts in all the areas including alternatives, the majority of which were insignificant or easily mitigated. The significant impacts were driven primarily by demineralization processes due to sludge disposal issues. In certifying the EIR, the San Benito County Water District found that benefits outweigh the environmental impacts.

In response to Attorney Lowrey's inquiry regarding lead agencies, Ms. Salvia stated that any of the collaborative agencies could serve as lead agency on a particular project, and

that the EIR for a future project can tier off of this EIR.

2. RECEIVE, DISCUSS and TAKE APPROPRIATE ACTION TO:

- A. Acknowledge San Benito County Water District's Certification of the Hollister Urban Area Water and Wastewater Master Plan and Coordinated Water Supply and Wastewater Treatment Program EIR,**
- B. Confirm Sunnyslope County Water District's Intent to Tier when Implementing Projects that are consistent with the Program EIR, and**
- C. Formally Approve 2008 Hollister Urban Area Water Wastewater Master Plan and 2010 Coordinated Water Supply and Wastewater Treatment Plan.**

Upon motion made by Director Anderson, seconded by Director Villalon, and unanimously carried, the Board approved items H-2 A, B, and C above, as presented.

3. RECEIVE, DISCUSS and TAKE APPROPRIATE ACTION TO PASS RESOLUTION 519 AUTHORIZING STAFF TO PREPARE AND SUBMIT APPLICATION WITH STATE OF CALIFORNIA DEPARTMENT OF PUBLIC HEALTH TO FUND THE BEST ROAD PIPELINE TO VENTURE ESTATES MUTUAL WATER COMPANY:

Engineer Girouard stated that the previous Board approved Venture Estates' request for water service, the Harbern Way residents paid their connection fees, and the EIR was completed. He stated that Board authorization to submit the application for State Revolving Fund financing does not obligate the District to accept funding nor to proceed with the \$1.5 million project. Engineer Girouard noted that the Best Road pipeline will also facilitate expanded water storage in the Ridgemark pressure zone to increase pressure for fire sprinkler systems for all new construction (required by new County ordinance). The new pipeline and future water storage tank will also provide future water service to 1,300 customers as part of the Santana Ranch and Award Homes development projects.

Director Clapham asked about reimbursement to the District. Secretary Yamaoka stated that Venture Estates was annexed to the District in 1990 and Harbern Way residents have been requesting water service since that time. He noted that the District's contract with Venture Estates specifically states that the pipeline project is dependent upon the District receiving low interest financing from a source such as the State Revolving Fund program. It was noted that connection fees paid by Venture Estates is not sufficient to pay the cost of the pipeline construction. Additional reimbursement to the District will occur when Santana Ranch and Award homes come on line in the future.

President Meraz stated that he expressed concern about the costs at the time the Board approved the agreement with Venture Estates. President Meraz stated that he holds other capital improvement projects in higher priority; and that he would like to review the contract.

Upon motion made by Director Villalon, seconded by Director Keck, and carried 4-1 (President Meraz opposed), the Board adopted Resolution #519 authorizing staff to prepare and submit an application for State Revolving Fund Loan financing for the Best Road pipeline to Venture Estates Mutual Water Company.

4. RECEIVE, REVIEW, DISCUSS and TAKE APPROPRIATE ACTION ON A PROPOSAL FOR A WATER CIP FINANCING PLAN AND WATER RATE STUDY FROM BARTLE WELLS ASSOCIATES, INCLUDING AUTHORIZE OR DENY ENTERING INTO PROFESSIONAL SERVICES CONTRACT WITH BARTLE WELLS ASSOCIATES FOR A PRICE NOT TO EXCEED \$21,900:

Secretary Yamaoka reported that four companies, who have provided local rate analysis in the area, were asked to submit proposals; one declined due to their current work load. The

costs quoted in the proposals received from HF&H Consultants and Raftelis Financial Consultants were \$25,000-\$40,000 and \$28,000, respectively. He noted that when Bartle Wells was asked to "sharpen its pencil" and resubmit a quote, which they lowered based on reduced travel costs by scheduling meetings and presentations with the District when Bartle Wells is in the Morgan Hill and Monterey areas servicing other clients.

President Meraz noted that only the lowest bidders proposal was included in the meeting packet and requested that in the future, he receive copies of all proposals submitted.

Upon motion made by Director Keck, seconded by Director Anderson, and unanimously carried, the Board approved entering into a contract with Bartle Wells Associates for a water CIP financing plan and water rate study at a cost not to exceed \$21,900.

I. BOARD AND STAFF COMMITTEE STATUS REPORTS

- 1. Water/Wastewater Committee:** No report.
- 2. Governance Committee:** Secretary Yamaoka reported that the Governance Committee will be touring the Lessalt Water Treatment plant and viewing the Actiflo-Carb pilot project on February 14th, from 1:00 to 2:00 p.m. Directors are invited to attend the tour. The Governance Committee's next regular meeting will be held at 6:00 p.m. in the SBCWD Board meeting room on March 16, 2011.
- 3. Finance Committee:** No report.
- 4. Water Resources Association of San Benito County:** Director Anderson reported that the WRA has not met since her last report; the next meeting will be held at 5:30 p.m. on March 3, 2011. She commented on the need for more public outreach regarding water softeners.
- 5. Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** Secretary Yamaoka reported that bid openings for the construction project are scheduled for 2:00 p.m. tomorrow, February 11, 2011. He commented that no bids have been received to date and he anticipates all of them coming in at the deadline, which is typical in the bidding process.
- 6. State Revolving Fund and Stimulus Package Financing:** No report.
- 7. Lessalt Water Treatment Plant:** Engineer Girouard reported on continuing testing of nanofiltration and discussions with the City on the Actiflo-Carb pilot. He reported that San Justo Reservoir was filled recently, but accurate test results for iron and manganese cannot be obtained until there has been a period of several months to allow the water to stratify.
- 8. Water Related Projects:** No report.
- 9. District Operation Summary, Statement of Income, Investment Summary; Lessalt Water Treatment Agency Investment and Disbursement Summaries; Maintenance, City Meter Reading, and Groundwater Level Reports:** During review of the District Operations Summary, Cathy Buck reported that three connection fees were received this month, making it a total of four connection fees year-to-date.

It was noted that it is the December Statement of Income being presented in this report, not January, because the Board meeting occurs too early in the month to allow a complete report for the previous month. There was discussion about alternatives to receive the

Statement of Income earlier, such as a special mailing to Directors as the Statement of Income becomes complete or the possibility of changing the Board meeting date to later in the month. Ms. Buck explained that the Operation Summary reflects amounts billed each month, which is very close to the revenue reflected on the Statement of Income. So, the Board does have operating revenue information on a more timely basis and are just waiting for accurate reporting of operating expenses and non-operating items. This item will be discussed at a future meeting.

During her review of the Investment Summary Ms. Buck noted that the District's fund balance as of January 31 is \$2,217,303.52, which includes seven months earned interest totaling \$7,434.36. She noted that the rate pointer account balance is artificially high because the check to the City for approximately \$350,000 for sewer bills collected has not yet cleared the account.

The Board reviewed financial reports for the Lessalt Water Treatment Agency, including the January 14 through February 8, 2011 Disbursement Summary totaling \$56,737.84. The Lessalt Water Treatment Agency Investment Summary ending January 31, 2011, reflects a fund total of \$1,649,859.96, which includes \$14,019.95 total year-to-date interest (eleven months).

During review of the January Maintenance Report, Jim Filice responded to questions from Board members about details regarding various items in the report. In response to Director Anderson's inquiry regarding Item #54, Mr. Filice stated that the District did not make the repair to the sewer lateral on Everest Drive because it was the customer's responsibility. In response to Director Keck's question about item #53, Mr. Filice explained that the District used its generators to power the Main Liftstation during a planned power outage, since we need to keep the sewer system operating. PG&E pulled new wiring and changed its transformer that feeds the lift station.

Jim Filice reviewed the Meter Reading Report for the period December 15, 2010 to January 17, 2011, and noted intertie meter data indicates the City owes the District 211 million gallons of water. He noted that last month the City received 62.7% of Lessalt water, which brings the year-to-date distribution to 45.1% to the City and 54.9% to Sunnyslope. He noted that the proportionate distribution shares should even out by the end of the year. Engineer Girouard reported the City informed him that they are planning to start pumping water owed back to the District.

During review of the December groundwater level report, Mr. Filice noted that well levels are beginning to trend upward, which is typical this time of year.

- J. ALLOWANCE OF CLAIMS:** During review of the District's Disbursement Summary for the period January 14 through February 8, 2011, Cathy Buck responded to President Meraz' inquiry about the check paid to Mark Nicholson, Inc. She stated that the bill is for street repairs on multiple dates and in multiple locations after we repaired leaks. They usually wait to bill for a bunch at a time. Director Meraz also asked if the EDD payment was for unemployment to a former employee. Ms. Buck explained that the payment to EDD is for monthly payroll withholding and that the District has not yet received an unemployment bill for any benefits received by former employee Ms. Nelson.

Upon motion made by Director Keck, seconded by Director Clapham, and unanimously carried, the Board approved the disbursements totaling \$663,424.85, which includes: \$334,764.65 for employee compensation and accounts payable; \$324,585.14 to the City of Hollister for sewer bills collected; \$3,659.25 for customer refunds and returned checks; and

\$415.81 for employee medical benefit plan reimbursements. Last check written as of February 8, 2011 was check #15922.

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
1/13/11	ACH 0104	RETURNED CHECK 1-2	-123.60
1/13/11	ACH 0105	RETURNED CHECK 1-3	-134.00
1/13/11	ACH 0106	RETURNED CHECK 1-4	-129.60
1/14/11	ACH 0107	RETURNED CHECK 1-5	-936.99
1/20/11	ACH 0108	RETURNED CHECK 1-6	-136.02
1/20/11	ACH 0109	RETURNED CHECK 1-7	-153.00
1/21/11	ACH 0110	RETURNED CHECK 1-8	-149.00
1/24/11	ACH 0111	RETURNED CHECK 1-9	-118.08
1/19/11	ACH 0112	RETURNED ACH 1-1	-284.46
1/20/11	ACH 0113	RETURNED ACH 1-2 & 1-3	-328.30
1/31/11	ACH 0114	EFTPS	-21,401.30
1/25/11	ACH 0115	RETURNED CHECK 1-10	-118.08
1/26/11	ACH 0116	RETURNED CHECK 1-11	-110.61
1/25/11	ACH 0117	San Benito Bank	-466.16
1/28/11	ACH 0118	RETURNED CHECK 1-11	-185.00
2/3/11	ACH 0119	Merchant Services	-573.27
1/31/11	DD 0175	Alvarez, Abel	-3,850.02
1/31/11	DD 0176	Brill, Kelly L.	-4,346.74
1/31/11	DD 0177	Buck, Cathy L.	-6,535.49
1/31/11	DD 0178	Castro, Kevin G.	-3,905.83
1/31/11	DD 0179	Chavez, Jr., Manuel T.	-5,277.31
1/31/11	DD 0180	Eclarin, Ernesto P.	-4,175.47
1/31/11	DD 0181	Estrada, Thomas A.	-3,940.00
1/31/11	DD 0182	Filice, James L.	-7,760.82
1/31/11	DD 0183	Girouard, Kenneth R.	-6,354.25
1/31/11	DD 0184	Hagins, Patrick M.	-4,424.81
1/31/11	DD 0185	Imperatrice, Patrick L.	-5,475.76
1/31/11	DD 0186	Jackson, Patrick W.	-6,419.68
1/31/11	DD 0187	Norman, Ill, Walter R.	-4,730.19
1/31/11	DD 0188	Padilla, David	-5,146.13
1/31/11	DD 0189	Porteur, Carol A.	-3,746.77
1/31/11	DD 0190	Robson, Ann	-2,466.01
1/31/11	DD 0191	Watson, Scott A.	-3,913.27
1/31/11	DD 0192	Yamaoka, Bryan M.	-8,529.16
1/31/11	DD 0193	Zavala, Anabel G.	-4,124.68
1/31/11	DD 0194	Jackson, Norma	-325.66
2/8/11	DD 0195	Clapham, David G.	-300.00
2/8/11	DD 0196	Keck, Doug (Dir. Dep.)	-300.00
2/8/11	DD 0197	Meraz, David (Dir. Dep.)	-300.00
2/8/11	DD 0198	Villalon, Daniel	-300.00
2/8/11	DD 0199	Wiener-Smolka, Laura S. (Dir. Dep.)	-600.00
1/17/11	15839	Void	0.00
1/17/11	15840	American Water Works Assoc. CA-NV Secti	-100.00
1/17/11	15841	Bianchi Kasavan & Pope, LLP	-526.50
1/17/11	15842	Calif. Dept. of Public Health - OCP	-210.00
1/17/11	15843	CM Analytical, Inc.	-2,045.00
1/17/11	15844	Greenwood Chevrolet	-110.35
1/17/11	15845	Mc Kinnon Lumber Co., Inc.	-9.72
1/17/11	15846	O'Reilly Auto Parts	-5.45
1/17/11	15847	P G & E	-3,862.72
1/17/11	15848	PAPA	-40.00
1/17/11	15849	State Water Resources Control Board-OOC	-200.00
1/17/11	15850	TopHealth / Personal Best	-214.13
1/17/11	15851	Y Wait Carpet Care	-656.50
1/17/11	15852	A-1 Services	-373.00
1/21/11	15853	Inverness Public Utility District	-3,000.00
1/24/11	15854	Auto Tech Service Center, Inc.	-77.45
1/24/11	15855	CM Analytical, Inc.	-1,870.00
1/24/11	15856	FedEx Freight	-663.85

Date	Num	Name	Amount
1/24/11	15857	Harbor Freight Tools	-280.61
1/24/11	15858	Mark Nicholson, Inc.	-24,305.44
1/24/11	15859	Mc Master-Carr	-180.37
1/24/11	15860	NH3 Service Company	-890.95
1/24/11	15861	Postmaster	-244.55
1/24/11	15862	RMC Water and Environment	-14,123.20
1/24/11	15863	San Benito Cnty Mosq Abatement Prgm	-80.64
1/24/11	15864	Thomson West	-327.80
1/24/11	15865	Toro Petroleum Corp.	-2,593.66
1/24/11	15866	Razzolink.com	-420.93
1/26/11	15867	O'Reilly Auto Parts	-54.48
1/28/11	15868	DAVID ALVERNAZ	-32.00
1/28/11	15869	MITCH BOUDET	-68.39
1/28/11	15870	SHARON SHAW-FLORES	-82.83
1/28/11	15871	JERRY & ROSEMARIE FOSHEE	-53.50
1/28/11	15872	DOUG HALLEY	-58.65
1/28/11	15873	SUSAN HIGGINS	-111.39
1/28/11	15874	DON & TINA JENKINS	-39.24
1/28/11	15875	LUSIANO PINHIERO	-69.00
1/28/11	15876	NOE RENTERIA	-21.16
1/28/11	15877	CAROL SCAGLIOTTI	-118.08
1/28/11	15878	BOB TAMAKI	-38.13
1/28/11	15879	BRENDA WILKERSON	-60.14
1/28/11	15880	Postmaster	-1,723.18
1/31/11	15881	All Star Ready Mix, LLC	-447.38
1/31/11	15882	AT&T	-276.86
1/31/11	15883	Bianchi Kasavan & Pope, LLP	-297.00
1/31/11	15884	Carlons Fire Extinguisher Sales & Serv	-662.00
1/31/11	15885	City of Hollister-Finance Dept	-1,200.00
1/31/11	15886	CM Analytical, Inc.	-7,380.00
1/31/11	15887	EBCO Pest Control	-55.00
1/31/11	15888	Everbank Commercial Finance, Inc.	-308.03
1/31/11	15889	Groeniger & Company	-3,891.11
1/31/11	15890	Hach Company	-30.70
1/31/11	15891	Hollister-Sunnyslope W. T. A.	-39,158.85
1/31/11	15892	Hollister Auto Parts, Inc.	-424.32
1/31/11	15893	Mid Valley Supply	-196.47
1/31/11	15894	Razzolink.com	-115.90
1/31/11	15895	Verizon Wireless	-272.19
1/31/11	15896	Employment Dev. Dept. (EDD) DE88 Pmts.	-9,410.17
1/31/11	15897	CalPERS - Retirement	-1,587.18
1/31/11	15898	Nationwide Retirements Solutions	-13,056.44
1/31/11	15899	BAC (Beneficial Administration Company)	-260.52
1/31/11	15900	CalPERS - Health Insurance	-14,483.72
1/31/11	15901	CalPERS - Retirement	-35,719.91
1/31/11	15902	Fort Dearborn Life Insurance Co.	-234.00
1/31/11	15903	Premier Access Insurance Co.	-2,751.93
1/31/11	15904	State Comp. Insurance Fund	-5,513.41
2/1/11	15905	Petty Cash	-333.00
2/2/11	15906	City of Hollister-Finance Dept	-324,585.14
2/7/11	15907	Ace Hardware (Johnson Lumber Co.)	-397.43
2/7/11	15908	B.W.S. Distributors, Inc.	-496.96
2/7/11	15909	CM Analytical, Inc.	-4,700.00
2/7/11	15910	DLT Solutions Inc.	-2,670.32
2/7/11	15911	Mc Donald Landscaping	-165.00
2/7/11	15912	Mc Master-Carr	-167.35
2/7/11	15913	Mid Valley Supply	-40.79
2/7/11	15914	Mission Uniform Service	-580.38
2/7/11	15915	Noland Hamerly Etienne & Hoss	-5,072.90
2/7/11	15916	Northern Safety Co.	-165.55
2/7/11	15917	Recology San Benito County	-114.27
2/7/11	15918	San Benito County Water District	-202.25

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
2/7/11	15919	San Benito Tire, Inc.	-13.50
2/7/11	15920	Staples	-434.74
2/7/11	15921	U.S. Bank Corporate Payment Systems	-2,297.86
2/7/11	15922	Anderson, Dawn V.	-300.00
12/15/10 - 1/28/11	1359 - 1365	Total Disbursements - Medical Cking	-415.81
Total Disbursements			<u>-663,424.85</u>

K. STAFF REPORTS

1. **District Counsel:** Attorney Lowrey reported on bills circulating in the State Legislature that would affect audits, giving the State more authority to review finances of local agencies.
2. **District Engineer:** No report.
3. **Finance HR Manager:** Cathy Buck reported on the recent update of the District's website.
4. **General Manager:** Secretary Yamaoka reported on the recent California Special District training seminar in Pebble Beach and stated that sample CSDA policies were ordered for the District to review and possibly adapt for use.

L. FUTURE AGENDA ITEMS: Future agenda items include goal setting and strategic planning. Cathy Buck noted that the Personnel Committee should schedule a meeting in April, prior to employee negotiations.

The next regular meeting of the Board is scheduled to be held Thursday, March 10, 2011.

M. ADJOURN: Upon motion made by Director Keck, seconded by Director Villalon, and unanimously carried, the meeting was adjourned at 6:40 p.m.

APPROVED BY THE BOARD: s/Dave Meraz
 Dave Meraz, President

RESPECTFULLY SUBMITTED: s/Bryan M. Yamaoka
 Bryan M. Yamaoka, Secretary