

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
SPECIAL JOINT MEETING
WITH THE CITY COUNCIL OF THE CITY OF HOLLISTER
February 11, 2014

A. CALL TO ORDER: The meeting took place in Room 218 of the Veterans Memorial Building, 649 San Benito Street, Hollister, California. The City of Hollister's meeting was called to order at 6:00 p.m. by Mayor Ignacio Velazquez and he conducted the roll call of the City Council. The Sunnyslope County Water District meeting was called to order at 6:00 p.m. by President Danny Villalon and he conducted the roll call of the Sunnyslope Board of Directors.

B. ROLL CALL: City of Hollister: Present: Mayor Ignacio Velazquez; City Council Members: Raymond Friend, Victor Gomez, and Robert Scattini. **Absent:** City Council Member Pauline Valdivia. **Sunnyslope County Water District: Present:** President Danny Villalon; Directors: Dave Clapham, Kathleen Hill, John M. Johnson, and Dave Meraz.

C. PLEDGE OF ALLEGIANCE: Mayor Ignacio Velazquez led Directors, staff, Hollister City Council members and public in the Pledge of Allegiance.

City Clerk Geri Johnson announced the verification of Agenda Posting for the City Council of the City of Hollister.

D. APPROVAL OF AGENDA: Upon motion made by Director Meraz, seconded by Director Hill, and carried 5-0, the agenda for Sunnyslope County Water District 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 from the public.

Staff present for Open Session: City of Hollister: Interim City Manager William Avera, Chief of Police David Westrick, and City Clerk Geri Johnson. **Sunnyslope County Water District:** General Manager/Secretary Don Ridenhour; Attorney David Laredo; Executive Assistant/Stenographer Carol Porteur; and Finance and Human Resource Manager Cathy Buck.

Others present: A few guests were in the audience.

F. NEW BUSINESS:

1. CONSIDER APPROVAL OF RESOLUTION NO. 529 DISSOLVING THE HOLLISTER – SUNNYSLOPE WATER TREATMENT AGENCY: General Manger/Secretary Ridenhour explained that the City of Hollister (COH) and Sunnyslope County Water District (SSCWD) have worked cooperatively to provide water and wastewater services to the Hollister Urban Area for many decades. The COH and SSCWD have five interties between their respective water systems and have jointly purchased property and constructed water treatment facilities. The COH and SSCWD formalized this relationship through creation of the Hollister-Sunnyslope Water Treatment Agency (WTA) by executing a Joint Exercise of Powers Agreement for constructing and operating water treatment and transmission facilities in November of 2002, which became known as the Lessalt Water Treatment Plant.

Recently the COH and SSCWD entered into a three party agreement with San Benito County Water District (SBCWD) called the Water Supply and Treatment Agreement that provides for design, construction, financing, and operation of an upgraded Lessalt Water Treatment Plant, a new West Hills Water Treatment Plant, and associated pipelines and pump stations to deliver additional treated surface water to the COH and SSCWD. The terms of this three party arrangement required the transfer of ownership of the Lessalt Water Treatment Plant and property to SBCWD from the COH, SSCWD, and the WTA. This transfer took place in September of 2013, and the plant continues to be operated by SSCWD staff through an Agreement of Operation and Maintenance Services between SBCWD and SSCWD.

These recent agreements, executed in 2013, eliminated the need for the WTA, so staff is recommending the WTA be dissolved and the remaining assets be divided and returned to the COH and SSCWD. The WTA no longer owns any treatment facilities or property and the remaining assets consist of cash in the WTA accounts totaling approximately \$1,124,620. Any future liabilities of the WTA shall be shared equally between the COH and SSCWD with SSCWD serving as the successor agency to handle any future liabilities, should any arise. The annual audit of fiscal year 2013/2014 is the only future liability of the WTA anticipated at this time; the cost of the audit is expected to be approximately \$6,000. Any payment of future liabilities, after consultation with COH staff, will be paid by SSCWD and 50% of the cost will be invoiced to the COH.

President Villalon asked if there were any questions from the Board, and there were none.

Upon motion made by Director Meraz, seconded by Director Clapham, and unanimously carried 5-0, the Board approved Resolution No. 529, A RESOLUTION OF THE BOARD OF DIRECTORS OF SUNNYSLOPE COUNTY WATER DISTRICT DISSOLVING THE JOINT EXERCISE OF POWERS AGREEMENT WITH THE CITY OF HOLLISTER AND DISSOLVING THE HOLLISTER-SUNNYSLOPE WATER TREATMENT AGENCY.

At this point, Mayor Ignacio Velazquez asked the City Council if there were any questions. General Manager/Secretary Ridenhour answered questions of Council Member Scattini and there was some discussion regarding the transfer of property to San Benito County Water District. Upon motion made by Council Member Gomez, and carried by a 3-1-1 vote, the City Council moved to adopt their Resolution No. 2014-29, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLLISTER DISSOLVING THE JOINT EXERCISE OF POWERS AGREEMENT WITH SUNNYSLOPE COUNTY WATER DISTRICT AND DISSOLVING THE HOLLISTER-SUNNYSLOPE WATER TREATMENT AGENCY; Council Member Scattini voted no and Council Member Valdivia was absent.

G. ADJOURN: Upon motion made by Council Member Gomez, seconded by Council Member Friend, and carried by a 4-0-1 vote; Council Member Valdivia absent, the City Council adjourned their portion of the meeting at 6:12 p.m.

President Villalon asked for a motion to adjourn for Sunnyslope County Water District. Upon motion made by Director Meraz, seconded by Director Hill, and unanimously carried 5-0, the meeting was adjourned at 6:12 p.m.

APPROVED BY THE BOARD: s/ Daniel Villalon

Daniel Villalon, President

RESPECTFULLY SUBMITTED: s/ Donald G. Ridenhour

Donald G. Ridenhour, Secretary