

**MINUTES  
BOARD OF DIRECTORS  
SUNNYSLOPE COUNTY WATER DISTRICT  
February 21, 2017**

- A. CALL TO ORDER:** The meeting was called to order at 4:30 p.m. by President Johnson, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. ROLL CALL: Present:** President Judi Johnson; Directors; Robert J. Rodriguez II, and Honor Spencer. (Director Mike Alcorn, arrived at 5:22 p.m.).
- C. PUBLIC COMMENT ON CLOSED SESSION MATTERS:** None.
- D. CLOSED SESSION (PURSUANT TO Government Code Section 54957.6):** At 4:31 p.m. President Johnson closed the meeting to the public so the Board could discuss the General Manager’s Performance Review.  
  
President Johnson reconvened the meeting to open session at 5:15 p.m.
- E. PLEDGE OF ALLEGIANCE:** Assistant Engineer Rob Hillebrecht led Directors, staff, and public in the Pledge of Allegiance.
- F. REPORT IN OPEN SESSION ACTION TAKE IN CLOSED SESSION:** President Johnson reported that the Board reviewed the list of accomplishments achieved by the General Manager and were very happy with his performance. No action was taken.
- G. APPROVAL OF AGENDA:** The agenda was approved as presented, 3-0, (Director Alcorn absent).
- H. 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 (arrived at 5:22 p.m.), Executive Assistant/Stenographer Carol Porteur; Finance and Human Resource Manager Cathy Buck, Water/Wastewater Superintendent Jim Filice, and Assistant Engineer Rob Hillebrecht.

**I. CONSENT AGENDA:**

- 1. Approval of Minutes – for the Regular Meeting of January 24, 2017.
- 2. Allowance of Claims– to ratify disbursements for the period from January 10, 2017 through February 13, 2017 totaling \$833,032.05 which includes \$482,672.72 for payments to vendors and employees, \$347,337.96 paid to the City of Hollister for amounts collected from their customer’s for City sewer billings net of our fees, and \$3,021.37 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of February 13, 2017 was check # 22793.

The list of disbursements is as follows:

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
01/13/17	ACH 0905	EFTPS	-158.40
01/18/17	ACH 0906	RETURNED ACH (Ret ACH 01-01)	-131.42
01/18/17	ACH 0907	RETURNED ACH (Ret ACH 01-02)	-136.36
01/19/17	ACH 0908	RETURNED ACH (Ret ACH 01-03 thru 01-10)	-1,073.40
01/20/17	ACH 0909	RETURNED CHECK (Ret Ck 01-01)	-158.00
01/23/17	ACH 0910	RETURNED CHECK (Ret Ck 01-02)	-128.95
01/31/17	ACH 0911	EFTPS	-24,365.60

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Amount</b>
01/31/17	ACH 0912	Employment Dev. Dept. (EDD) DE88 Pmts.	-8,990.51
02/03/17	ACH 0913	Merchant Services	-887.84
02/03/17	ACH 0914	Merchant Services	-1,086.06
02/13/17	ACH 0915	RETURNED CHECK (Ret Ck 02-01)	-302.69
01/13/17	DD 1833	Alcorn, Michael H.	-184.70
01/13/17	DD 1834	Johnson, Judi H.	-266.05
01/13/17	DD 1835	Rodriguez, II, Robert J.	-92.35
01/13/17	DD 1836	Spencer, Honor A.	-92.35
01/13/17	DD 1837	Villalon, Daniel	-67.35
01/31/17	DD 1838	Alvarez, Abel	-5,328.83
01/31/17	DD 1839	Brill, Kelly L.	-4,445.70
01/31/17	DD 1840	Buck, Cathy L.	-6,536.33
01/31/17	DD 1841	Castro, Kevin G.	-5,012.78
01/31/17	DD 1842	Chavez, Jr., Manuel T.	-7,244.17
01/31/17	DD 1843	Eclarin, Ernesto P.	-6,315.33
01/31/17	DD 1844	Filice, James L.	-7,010.51
01/31/17	DD 1845	Hagins, Patrick M.	-4,534.87
01/31/17	DD 1846	Hillebrecht, Robert B.	-3,829.48
01/31/17	DD 1847	Jackson, Patrick W.	-5,502.53
01/31/17	DD 1848	Malko, Kim A.	-3,163.81
01/31/17	DD 1849	Norman, III, Walter R.	-4,429.48
01/31/17	DD 1850	Padilla, David	-4,965.56
01/31/17	DD 1851	Porteur, Carol A.	-4,191.63
01/31/17	DD 1852	Quick, Troy E.	-5,414.05
01/31/17	DD 1853	Ridenhour, Donald G.	-10,152.70
01/31/17	DD 1854	Sanchez, Ricardo A.	-4,569.68
01/31/17	DD 1855	Watson, Scott A.	-6,598.09
01/31/17	DD 1856	Zavala, Anabel G.	-4,409.07
01/16/17	22688	American Water Works Assoc. CA-NV Section	-80.00
01/16/17	22689	Ben Caputo Printing	-125.86
01/16/17	22690	Bracewell Engineering, Inc.	-126.00
01/16/17	22691	Brenntag Pacific, Inc.	-3,107.33
01/16/17	22692	Calgon Carbon Corporation	-41,278.00
01/16/17	22693	Charles P. Crowley Company, Inc.	-363.62
01/16/17	22694	City of Hollister-Finance Dept	-347,337.96
01/16/17	22695	CM Analytical, Inc.	-2,155.00
01/16/17	22696	Don Chapin Co. Inc., The	-40.00
01/16/17	22697	Evoqua Water Technologies LLC (Siemens)	-75.95
01/16/17	22698	Hazel Hawkins Memorial Hospital	-31.00
01/16/17	22699	Performance Agriculture	-1,711.00
01/16/17	22700	State Water Resources Control Board-DWOCF	-100.00
01/16/17	22701	Toro Petroleum Corp.	-938.27
01/16/17	22702	Trans Union LLC	-69.40
01/23/17	22703	A-1 Services	-403.00
01/23/17	22704	Auto Tech Service Center, Inc.	-199.83
01/23/17	22705	CWEA Membership- TCP	-344.00
01/23/17	22706	De Lay & Laredo	-2,100.00
01/23/17	22707	EBCO Pest Control	-55.00
01/23/17	22708	National Notary Association	-69.00
01/23/17	22709	San Benito County-Admin Office	-8,260.00
01/23/17	22710	San Benito County Water District	-102,000.76
01/23/17	22711	State Water Resources Control Board-DWOCF	-120.00
01/23/17	22712	State Water Resources Control Board-OOC	-460.00
01/23/17	22713	Winner Chevrolet, Inc.	-38,139.20
01/24/17	22714	Postmaster	-173.90
01/30/17	22715	Boltz, William K	-75.00
01/30/17	22716	AT&T	-85.08
01/30/17	22717	B.W.S. Distributors, Inc.	-169.75
01/30/17	22718	Brenntag Pacific, Inc.	-912.56
01/30/17	22719	Brigantino Irrigation	-71.39

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Amount</b>
01/30/17	22720	Calcon System, Inc.	-1,289.00
01/30/17	22721	CM Analytical, Inc.	-310.00
01/30/17	22722	Corix Water Products	-3,392.68
01/30/17	22723	Void	0.00
01/30/17	22724	Ferguson Enterprises, Inc.	-217.77
01/30/17	22725	Konica Minolta Premier Finance	-416.76
01/30/17	22726	Mc Master-Carr	-1,305.45
01/30/17	22727	New SV Media, Inc. (was So. Valley News.)	-414.00
01/30/17	22728	Northern Tool & Equipment Co.	-1,001.07
01/30/17	22729	O'Reilly Auto Parts	-34.00
01/30/17	22730	Palace Business Solutions	-482.56
01/30/17	22731	Petty Cash	-29.94
01/30/17	22732	Postmaster	-1,919.55
01/30/17	22733	Razzolink.com	-132.90
01/30/17	22734	San Benito County-Tax Collector	-869.39
01/30/17	22735	Stargazer Packaging	-293.63
01/30/17	22736	Toro Petroleum Corp.	-742.47
01/30/17	22737	Verizon Wireless	-267.02
01/30/17	22738	Postmaster	-110.00
01/31/17	22739	CalPERS - Retirement	-1,036.00
01/31/17	22740	CalPERS - Retirement	-1,178.87
01/31/17	22741	Nationwide Retirements Solutions	-17,041.50
01/31/17	22742	CalPERS - Health Insurance	-15,911.47
01/31/17	22743	CalPERS - Retirement	-25,134.23
01/31/17	22744	Dearborn National Life Insurance Company	-304.00
01/31/17	22745	HealthSmart Benefit Solutions, Inc. (VSP)	-307.90
01/31/17	22746	Premier Access Insurance Co.	-3,085.67
01/31/17	22747	Boltz, William K	-1,532.57
01/31/17	22748	Evoqua Water Technologies LLC (Siemens)	-5,137.20
02/06/17	22749	NOVA PROPERTY MGMT	-143.49
02/06/17	22750	DIANA STONE	-32.01
02/06/17	22751	BILL OLGUIN & PAULINE BLANCO	-35.91
02/06/17	22752	ELVA CORREIA & KATHLEEN MCCLAIN	-27.82
02/06/17	22753	BILL CAPORGNO	-19.01
02/06/17	22754	AFFINITY PROPERTIES	-203.65
02/06/17	22755	ARNOLD ALEXANDER	-58.91
02/06/17	22756	JAMES SHOEMATE	-24.00
02/06/17	22757	NANCY E SMITH	-98.46
02/06/17	22758	PAUL CASILLAS	-125.00
02/06/17	22759	JACKIE MCABEE	-20.24
02/06/17	22760	Ace Hardware (Johnson Lumber Co.)	-409.33
02/06/17	22761	All Star Ready Mix, LLC	-391.00
02/06/17	22762	AT&T	-250.52
02/06/17	22763	Auto Tech Service Center, Inc.	-91.96
02/06/17	22764	CM Analytical, Inc.	-13,365.00
02/06/17	22765	Hach Company	-501.63
02/06/17	22766	Mission Uniform Service	-952.29
02/06/17	22767	Palace Business Solutions	-71.48
02/06/17	22768	Sage Software, Inc.	-957.00
02/06/17	22769	South Valley Internet, Inc.	-20.45
02/06/17	22770	Wright Bros. Indust. Supply	-132.42
02/06/17	22771	Ace Hardware (Johnson Lumber Co.)	-63.17
02/06/17	22772	Corix Water Products	-418.65
02/06/17	22773	Ferguson Enterprises, Inc.	-321.74
02/06/17	22774	Hollister Auto Parts, Inc.	-245.99
02/06/17	22775	Stargazer Packaging	-146.82
02/13/17	22776	RICHARD & CARMEN SILVA	-56.80
02/13/17	22777	THOMS & AMOR WALIZER	-245.25
02/13/17	22778	AT&T	-206.23
02/13/17	22779	Auto Tech Service Center, Inc.	-59.88

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
02/13/17	22780	Bianchi Kasavan & Pope, LLP	-420.00
02/13/17	22781	Edges Electrical Group, LLC	-1,696.36
02/13/17	22782	GE Analytical Instruments, Inc.	-6,764.02
02/13/17	22783	Mark Nicholson, Inc.	-2,686.40
02/13/17	22784	New SV Media, Inc. (was So. Valley News.)	-126.00
02/13/17	22785	P G & E	-16,844.24
02/13/17	22786	Postal Graphics (was Post Net)	-12.44
02/13/17	22787	Recology San Benito County	-128.51
02/13/17	22788	San Benito County Water District	-170.25
02/13/17	22789	Staples Advantage	-279.54
02/13/17	22790	State Water Resources Control Board-DWOCF	-90.00
02/13/17	22791	Toro Petroleum Corp.	-1,170.72
02/13/17	22792	Trans Union LLC	-76.79
02/13/17	22793	U.S. Bank Corporate Payment Systems	-6,018.58
<b>Total Disbursements</b>			<b>-833,032.05</b>

Upon motion made by Director Spencer, seconded by Director Rodriguez, the consent agenda was approved by 3-0 (Director Alcorn absent), as presented.

*Director Alcorn and Attorney Quinn arrived at 5:22 p.m.*

**J. NEW BUSINESS:**

**1. INTERVIEW BOARD MEMBER APPLICANTS, CONSIDER APPOINTMENT, AND CONDUCT A SWEARING-IN CEREMONY OF A NEW BOARD MEMBER TO FILL A VACANCY ON THE BOARD OF DIRECTORS. (NOT A PROJECT UNDER CEQA PER ARTICLE 20, SECTION 15378):** General

Manager/Secretary Ridenhour explained that on January 24, 2017 the Board of Directors directed staff to advertise and solicit applications to fill a vacancy on the Board of Directors per California Government Code Section 1780 and Board Policy 7080. Notices were posted and applications were received through 2:00 p.m. on February 17, 2017. All applications received were forwarded to each Board Member for review.

The Board of Directors may fill the vacancy by appointment within 60 days of the vacancy, or by March 5, 2017. General Manager/Secretary Ridenhour stated that if an applicant is appointed, the Secretary will conduct the Swearing-In Ceremony and the appointed Board Member will be seated for the remainder of the meeting.

President Johnson welcomed Dennis Icardi and Ann Ross, the two applicants seeking the open Director's seat, and thanked both applicants for their willingness to serve the District. President Johnson explained the selection process for this appointment and encouraged both applicants to run for election in the future. The Board conducted interviews of each applicant and considered appointment.

After review and discussion Director Alcorn nominated Ann Ross and the following roll call votes were cast: President Johnson yes; Director Alcorn yes; Director Rodriguez yes; and Director Spencer yes; motion carried 4-0.

Following the appointment of Ann Ross to the Board of Directors, General Manager/Secretary Ridenhour conducted the Swearing-in Ceremony and Director Ross was seated as the fifth Board member.

**2. BOARD PRESIDENT TO APPOINT DIRECTORS TO VACANT DISTRICT COMMITTEES (NOT A PROJECT UNDER CEQA PER ARTICLE 20, SECTION 15378):** General Manager/Secretary Ridenhour stated that per District Policy No. 7060, the President of the Board shall appoint Board Members to the

standing committees for the calendar year. Appointments were made in December of 2016 for the 2017 calendar year, but due to the vacancy created by the resignation of Director Villalon, new appointments are necessary. The list consists of five standing committees, the Water Resources Agency, the Association of California Water Agency Joint Powers Insurance Authority, and assignment for quarterly check signing duties. Following are the updated committee assignments.

Finance Committee (no change):

Directors: Mike Alcorn & Honor Spencer (Alternate – Judi Johnson)

Water & Wastewater Committee:

Directors: Robert Rodriguez & Judi Johnson (from February to August 2017), Ann Ross (from September to December 2017) (Alternate – Honor Spencer)

Governance Committee:

Directors: Robert Rodriguez & Judi Johnson (from February to August 2017), Ann Ross (from September to December 2017) (Alternate – Honor Spencer)

Employee & Personnel Committee (no change):

Directors: Mike Alcorn & Honor Spencer (Alternate – Judi Johnson)

Policy and Procedures Committee (no change):

Directors: Mike Alcorn & Robert Rodriguez (Alternate – Judi Johnson)

WATER RESOURCES AGENCY:

Director: Judi Johnson (Alternate – Ann Ross)

ACWA/JPIA – BOARD REPRESENTATIVE:

Directors: Judi Johnson (Alternate – Mike Alcorn)

District Quarterly Check Signing Duties:

1st Quarter – Honor Spencer,                      3rd Quarter – Ann Ross, and  
2nd Quarter – Mike Alcorn,                      4th Quarter – Robert Rodriguez.

3. **RECEIVE SIX-MONTH BUDGET REVIEW OF DISTRICT'S FINANCIAL RESULTS FOR THE FIRST HALF OF FISCAL YEAR 2017, i.e. FROM JULY 1, 2016 THRU DECEMBER 31, 2016 (NOT A PROJECT UNDER CEQA PER ARTICLE 20, SECTION 15378):** Finance & Human Resource Manager, Cathy Buck presented a detailed review and comparison of the first six months of actual financial results to the District's 2016/2017 budget to the Board in her staff report as well as reviewing at the meeting and asked if any Board members had questions.

President Johnson inquired about the water rate increases discussed in the second bullet on page 1 of the staff report. Ms. Buck explained that the water rate increase implemented on December 21, 2016 of 11.5% was the fourth year of the scheduled rate increases, and that the remaining approved future water rate increases are 11.5% scheduled for December 21, 2017 and 3.0% scheduled for December 21, 2018.

Director Ross inquired about the depreciation amount in the General and Administrative Operations, which Ms. Buck explained was for office equipment and the district building, and explained that if desired she could provide detailed information on the exact breakdown.

President Johnson pointed out from Ms. Buck's "Conclusion/Discussion" in her staff report that the District is in a good position financially, and by year-end, our financial results should be in line with the budget. The revenue is sufficient to support operating expenses and staff does not anticipate a need to review or increase rates.

## K. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** No meeting. The next meeting is scheduled for March 1, 2017.
2. **Water/Wastewater Committee:** No meeting. General Manager/Secretary Ridenhour stated that he will be scheduling a meeting with Directors Rodriguez and Spencer before the March 1<sup>st</sup> Governance Committee meeting.
3. **Finance Committee:** No meeting.
4. **Policy and Procedure Committee:** No meeting.
5. **Personnel Committee:** No meeting.
6. **Water Resources Association of San Benito County (WRA):** President Johnson provided a written report stating that a meeting was held on February 2, 2017. John Freeman from San Juan Bautista was welcomed as a new member and was seated as the Chair, which is on a rotational basis. Program Manager Shawn Novak reported on work to date for this fiscal year including: school outreach program; “Going Green” program; State conservation efforts; education program interactions to provide for on-going employment of youth; and the rebate programs for toilets and water softeners. The program for washing machine rebates has been discontinued.
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 prepared her monthly written narrative report on the Operations Summary (thru January, 2017), Statement of Income (thru December, 2016), and Investment Summary (thru January, 2017).

Ms. Buck asked if any Directors had any questions. Hearing none, she pointed out that the District is currently at seventy-nine water capacity fees received this fiscal year, compared to fifty-seven received last fiscal year. She also noted that the number of customers signed up for any of the various Automatic Payment services has grown to 1,767 customers in January, 2017 and represents 31.0% of our customers.

The District’s Investment Summary report reflects the total cash balance as of January 31, 2017 of \$9,052,513.29, which includes posted interest totaling \$25,562.29 (seven months interest on the CDs, and second, third and fourth quarter interest on the LAIF investment that posted in July, October, and January).

Director Johnson asked if she could receive more detail on the Statement of Income and Investment Summary reports, rather than the totals only reports she is currently receiving. Ms. Buck stated that we can certainly start giving her the more detailed reports next month.

Water/Wastewater Superintendent Jim Filice reported on the January 2017 Maintenance Staff Report, and asked the Board if there were any questions. President Johnson inquired about #20 pulled pump 1 at the Ridgemark II Lift station and cleaned debris from an impeller. Mr. Filice explained that the “disposable wipes” that are flushed do not disintegrate and they clog the impeller on the pump, which means staff has to frequently go in and remove and dispose of them.

In review of the Meter Reading Report for the period of December 14, 2016 to January 17, 2017, the intertie meter data indicates the City received 24.6% of Lessalt Water Treatment Plant water, while the District received 75.4%.

Water/Wastewater Superintendent Jim Filice reported on the groundwater level report stating that the levels are coming up.

8. **Active Tasks Update:** General Manager/Secretary Ridenhour reported that the District's water conservation numbers are above the State's mandates and were 7.9% in January. The State has extended the emergency water regulations through September.

Advertising is underway to fill the District's two water/wastewater maintenance positions and applications must be submitted by March 3<sup>rd</sup>.

The draft of the Cross Town Pipeline pre-design is complete and a Governance Committee meeting is planned for March 1<sup>st</sup> to get an update on the pipeline and the Master Plan.

Staff is working with the City of Hollister, potential development, & the District's Counsel to resolve the LAFCO and sewer service concerns regarding the City's sewer service in Sunnyslope's service area.

General Manager/Secretary Ridenhour stated that the San Benito Business Council is planning a Water Forum on April 21<sup>st</sup> at San Juan Oaks and he will be presenting along with San Benito County Water District, City of Hollister, and Water Resources Association staff.

Mr. Ridenhour informed the Board that the ACWA Spring Conference will be held May 9<sup>th</sup> – 12<sup>th</sup> in Monterey this year. The deadline to register is in April and he will have an item on the March Board agenda.

The Policy & Procedures Committee, staff, and District Counsel have completed the update to the employee handbook. Staff has scheduled a meeting for March 2<sup>nd</sup> with all District staff to share the new handbook.

#### **L. BOARD and STAFF REPORTS**

1. **Directors:** No report.
2. **District Counsel:** No report.
3. **Finance and Human Resource Manager:** No report.
4. **Assistant Engineer:** Assistant Engineer Rob Hillebrecht reported that the county is updating the aerial photographs for the Geographic Information System (GIS), which should be completed by mid-March. We will be able to overlay our system on the new aerial maps that will include all the new developments, and print new system maps.
5. **General Manager:** No report.

**M. FUTURE AGENDA ITEMS:** ACWA Conference attendance, San Benito Business Council Water Forum, and Ethics Training and Sexual Harassment Training for the Board.

**N. ADJOURNMENT:** Upon motion made by Director Rodriguez, President Johnson adjourned the meeting at 7:24 p.m.

**APPROVED BY THE BOARD:** *s/ Judi H. Johnson*  
Judi H. Johnson, President

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