

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
January 9, 2013

A. CALL TO ORDER: The meeting was called to order at 4:45 p.m. by President Meraz, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

B. ROLL CALL: Present: President Dave Meraz; Directors Dave Clapham, Kathleen Hill, John M. Johnson. **Absent:** Director Danny Villalon.

C. PUBLIC COMMENT ON CLOSED SESSION MATTERS: None

D. CLOSED SESSION:

1. Conference with Real Property Negotiators – Property: Lands adjacent to Well #8 (APN 025-420-005). Negotiators: Ridenhour & Girouard. Under Negotiation: Price and terms of purchase between District and Roy and Rita Lompa.

President Meraz reconvened open session at 5:15 p.m.

E. PLEDGE OF ALLEGIANCE: Director Meraz led Directors, staff, and public in the Pledge of Allegiance.

F. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION: President Meraz reported that staff updated the Directors on Well #8 negotiations, to which staff and legal counsel were given direction to respond to correspondence from the legal team representing the Lompa family.

G. APPROVAL OF AGENDA: Upon motion made by Director Hill, seconded by Director Johnson, and carried 4-0 (Director Villalon absent), the agenda was approved as presented.

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 from the public.

Staff present for Open Session: General Manager/Secretary Don Ridenhour; Attorney David Laredo; Executive Assistant/Stenographer Carol Porteur; District Engineer Ken Girouard; Finance & Human Resources Manager Cathy Buck; and Water Superintendent Jim Filice.

Others present: Harry Blohm and San Benito High School students.

I. APPROVAL OF MINUTES: Director Hill requested that the December minutes reflect Judi Johnson as one of the “others present”. Upon motion made by Director Hill, seconded by Director Clapham, and carried 4-0 (Director Villalon absent), the Board approved the minutes of the December 12, 2012 Regular meeting as amended.

J. NEW BUSINESS:

1. **CONSIDER AUTHORIZATION OF A CONTRACT WITH MAGGIORA BROS. PUMP FOR THE REPAIRS TO WELL #11 FOR A TOTAL COST NOT TO EXCEED \$44,340.05:** General Manager/Secretary Ridenhour explained that in December 2012, Well #11 shut down and staff was unable to get the well pump to operate. Tests indicate a possible short in the leads or the submersible pump, however

the pump will need to be pulled from the well casing to diagnose the problem. Mr. Ridenhour stated that staff solicited quotes from five qualified companies for services ranging from removing the pump from the well and diagnostic work. Quotes were due on January 3, 2013 by 11:30 a.m. The District received quotes from Maggiora Bros. Pump, Salinas Pump, and a third quote was received from Lynch Pump, but it came in after the deadline. Maggiora Bros. Pump came in with the lowest overall bid of \$44,340.05 for which staff is requesting approval to accept.

General Manager/Secretary Ridenhour stated that we will not know the extent of work that will need to be done until the pump is extracted from the well and he does not expect the cost to reach the \$44,340.05 total. Mr. Ridenhour explained that approval for the maximum amount requested is so that once the pump is pulled, there will not be a need for negotiating after the contractor is on site.

Director Clapham inquired as to the urgency of fixing the problem, and General Manager/Secretary Ridenhour responded that staff feels it is best to fix the well while water demands are low instead of waiting until the summer when the well is crucial.

Upon motion made by Director Clapham, seconded by Director Hill, and carried 4-0 (Director Villalon absent), the Board authorized a contract with Maggiora Bros. Pump for the repairs to Well #11 for a total cost not to exceed \$44,340.05.

2. CONSIDER APPROVAL OF THE USE OF WATER TREATMENT AGENCY RESERVES FOR WATER QUALITY TESTING FOR A TOTAL COST OF

\$29,403.46: General Manager/Secretary Ridenhour explained that in September and October 2012, work was conducted by HDR Engineering to test water samples from San Justo Reservoir for the purpose of planning and designing improvements to the Lessalt Water Treatment Plant and the planned West Hill Water Treatment Plant. The testing and sample preparation was conducted at the Lessalt Water Treatment Plant, for which Sunnyslope staff provided labor, materials, and testing to support the work being performed by HDR Engineering. The cost of providing these services was anticipated to be covered by the Water Treatment Agency as the results would benefit both the City of Hollister (COH) and Sunnyslope County Water District (SSCWD). The costs of services provided by HDR Engineering and their sub consultants are covered under the contract with San Benito County Water District for the implementation of the Hollister Urban Area Water and Wastewater Master Plan on behalf of COH and SSCWD. Providing labor and materials by SSCWD was to reduce the cost of this testing, which in turn would reduce the cost of HDR Engineering consultant time.

General Manager/Secretary Ridenhour stated that the COH has requested the use of Water Treatment Agency reserves for this expenditure rather than absorb this expense in the operations budget for the Lessalt Water Treatment Agency and they will be seeking authorization from City Council.

Upon motion made by Director Johnson, seconded by Director Clapham, and carried 3-1 (Director Hill opposed and Director Villalon absent), the Board approved the use of Water Treatment Agency Reserves for water quality testing for a total cost of \$29,403.46.

3. TAKE APPROPRIATE ACTION TO UPDATE BANK SIGNATURE CARDS FOR ALL BANK ACCOUNTS OF BOTH SUNNYSLOPE COUNTY WATER DISTRICT AND THE HOLLISTER-SUNNYSLOPE WATER TREATMENT AGENCY:

Finance & Human Resource Manager Cathy Buck explained that due to the changes to our Board of Directors, with outgoing Director Dawn Anderson and incoming Director John M. Johnson, the bank signature cards need to be updated to reflect the

changes. Before the change can be made for all bank accounts of Sunnyslope County Water District and the Hollister-Sunnyslope Water Treatment Agency, Santa Barbara Bank & Trust requires the Board take action and document their approval of updates to the District's signature cards with the bank.

Upon motion made by Director Clapham, seconded by Director Hill, and carried 4-0 (Director Villalon absent), the Board approved action to update signature cards for all bank accounts of Sunnyslope County Water District and the Hollister-Sunnyslope Water Treatment Agency to include all five Directors, the General Manager, and the Finance & Human Resource Manager.

4. CONSIDER APPROVAL OF THE RIDGEMARK WASTEWATER TREATMENT AND RECYCLED WATER IMPROVEMENTS PROJECT PROGRESS PAYMENT REQUEST BY ANDERSON PACIFIC FOR \$399,431.58:

Engineer Girouard summarized the progress made on the Ridgemark Wastewater Treatment and Recycled Water Improvements Project by Anderson Pacific in December, 2012. He recommended approval of a progress payment, after retention of 5%, totaling \$399,431.58. Engineer Girouard noted that, in terms of cost expenditure to Anderson Pacific, this payment will bring completion of the project to approximately 82%.

Engineer Girouard explained that during the month of December, the contractor completed pouring the concrete floor of the solids storage tank; various pipelines were installed in the solids drying beds; portions of the Operations Building drywall were finished; the backup generator at the main lift station and Ridgemark 1 was installed; and work was initiated at the transfer pump stations at Ridgemark 2.

Mr. Girouard stated that staff has submitted a reimbursement request to the State Revolving Fund (SRF), for work performed through the end of November, has been received by SRF, and is being processed.

Engineer Girouard reported that the District has received a letter from SRF granting the extension of construction of the project until September 30, 2013 which extends the first payment on the loan to September 30, 2014.

Cathy Buck pointed out that Board meeting agenda incorrectly stated the request for payment to Anderson Pacific is in the amount of \$218,822.88 requested last month, instead of the \$399,431.58 actually being requested this month. President Meraz asked if this item would be an issue due to the large dollar amount difference, and legal counsel David Laredo responded that since the staff report accurately identified the correct amount of \$399,431.58, this would legally allow proceeding with the item.

Upon motion made by Director Clapham, seconded by Director Hill, and carried 4-0 (Director Villalon absent), the Board approved payment for invoice #108-18 for \$399,431.58 payable to Anderson Pacific.

K. BOARD AND STAFF COMMITTEE STATUS REPORTS:

- 1. Governance Committee:** General Manager/Secretary Ridenhour reported the committee met on December 18th and received an update of the program schedule and a capital improvement schedule was provided. Some habitat issues have arisen in the CEQA work because they found Tiger Salamanders within approximately 1.5 miles of the West Hills Water Treatment Plant project site, which will delay the permitting process for an unknown amount of time. They discussed the best case and worst case scenarios and are looking at how to minimize the delay. The cost implementations are that it could cost

more during the permitting process and could affect construction costs.

The Lessalt Water Treatment Plant upgrade project is moving ahead and is about 95% complete on the design plans and specifications, which should be done by the end of January. Mr. Ridenhour reported that San Benito County Water District and their legal counsel are currently reviewing the interagency agreement. The operations agreement is basically complete but the start date needs to be worked out. The Governance Committee meeting scheduled for January 16th may be canceled. A meeting to tour Pacheco pumping plant, the West Hills site, the Lessalt Plant and a general briefing on all of the facilities is being planned for the Boards and Council members from San Benito County, San Benito County Water District, the City of Hollister, and Sunnyslope County Water District.

2. **Water/Wastewater Committee:** General Manager/Secretary Ridenhour reported that no meeting was held in the month of December and next meeting is scheduled for January 14, 2013.
3. **Finance Committee:** President Meraz reported no meeting last month. Cathy Buck reported that the final audit presentation will be in February and asked if the Finance Committee would like to review the audit before presenting to the full Board. It was agreed to meet and do so since they will be meeting to review the budget for the Water Treatment Agency anyway.
4. **Policy and Procedure Committee:** General Manager/Secretary Ridenhour reported no meeting in December and the next scheduled meeting is January 15, 2013.
5. **Water Resources Association of San Benito County:** General Manager/ Secretary Ridenhour reported no meeting in December and the next scheduled meeting is January 17, 2013.
6. **Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** General Manager/Secretary Ridenhour reported he has scheduled a Special Meeting of the Board for January 29th at 4:00 p.m. to tour the construction site of the Ridgemark WWTP upgrades and SBR plant. President Meraz suggested inviting Harry Blohm, Jeff Cattaneo, Dale Rosskamp, and Clint Quilter for the tour. General Manager/Secretary Ridenhour agreed and indicated he will extend an invitation to them.
7. **Lessalt Water Treatment Plant:** No report.
8. **Water Related Projects:** No report.
9. **District Operation Summary, Statement of Income, and Investment Summary; Hollister-Sunnyslope Water Treatment Agency Investment and Disbursement Summaries; District Maintenance, Meter Reading, and Well Groundwater Level Reports:** Finance and Human Resource Manager Cathy Buck asked if there were any questions on the District's Operations Summary (for December 31, 2012), Statement of Income (for November 30, 2012), and Investment Summary (for December 31, 2012); no questions were asked.

The District's Investment Summary report reflects the total cash balance as of December 31, 2012 of \$4,222,583.02, which includes six months earned interest totaling \$2,471.28.

The Board reviewed the Hollister-Sunnyslope Water Treatment Agency's Investment Summary ending December 31, 2012, which reflects a cash balance total of

\$1,687,696.57, which includes \$4,837.29 fiscal year-to-date (ten month's) interest earned. Ms. Buck stated that the checking account balance is coming back up with the billing of prepaid water.

The Board reviewed Hollister-Sunnyslope Water Treatment Agency's Disbursement Summary, for the period of December 11, 2012 to January 7, 2013 totaling \$31,610.18; there were no questions.

Jim Filice reviewed the December, 2012 Maintenance Staff Report. Mr. Filice reported that the replacement filters for the Lessalt Plant should be arriving next week. Director Hill inquired about #1 regarding cleaning debris from the Oak Creek, Paullus, and Main Lift stations and the frequency of the sewer lift station cleaning, to which Jim Filice responded that generally it is done every six months.

During review of the Meter Reading Report for the period November 14 to December 12, 2012, Jim Filice noted the intertie meter data indicates the City received 35.9% of Lessalt water, while the District received 64.1%. Mr. Filice reported the balance the City owes went down a little.

Jim Filice reviewed the groundwater level report and noted that well levels are still going up.

10. Active Tasks Update: General Manager/Secretary Ridenhour reported Raftelis Financial Consultants are reviewing draft cash flow for HUAWWMP projects for the water & sewer rate development and should have Phase 1 of the model done by the end of the month. Mr. Ridenhour will be bringing some ideas for modifying the Board Agenda to the Policy and Procedures committee this month. Mr. Ridenhour reported that we are planning to bid and constructed the Fairview Road Pipeline project with the Lessalt WTP upgrade, which will be financed through San Benito County Water District. The Lessalt WTP upgrade final design will be complete by the end of January.

L. ALLOWANCE OF CLAIMS: The Board reviewed the District's Disbursement Summary for the period December 11, 2012 through January 7, 2013.

At the December Board meeting, Director Villalon asked about check #17949, payable to State Water Resources Control Board in the amount of \$4,943.00, which staff was to look up and report back at the January meeting. Cathy Buck reported back to the Board that this check was issued to pay annual permit fees required for Ridgemark Estates Collection System in the amount of \$1,521.00 and Ridgemark Estates WWTP for \$3,422.00 totaling \$4,943.00.

President Meraz inquired about check #18089 payable to Premier Access Insurance Co. for \$3,325.10, and Ms. Buck responded that is the monthly dental insurance premium for employees and their dependents. Employees reimburse the District for the dependent coverage.

Upon motion made by Director Clapham, seconded by Director Hill, and carried 4-0 (Director Villalon absent), the Board approved the disbursements totaling \$1,417,681.88, which includes: \$588,078.11 for employee compensation and payments to vendors; a transfer from the checking account to certificates of deposit of \$500,000.00; \$327,592.32 paid to the City of Hollister for their customer payments collected on their sewer billings; and \$2,011.45 for customer refunds and deductions for checks returned for insufficient funds. The last check written as of January 7, 2013 was check #18127.

Date	Num	Name	Amount
12/14/12	ACH 0395	EFTPS	-225.20
12/11/12	ACH 0396	RETURNED CHECK (Ret. Ck. 12-01)	-64.22
12/13/12	ACH 0397	RETURNED CHECK (Ret. Ck. 12-02)	-198.45
12/14/12	ACH 0398	RETURNED CHECK (Ret. Ck. 12-03)	-122.45
12/31/12	ACH 0399	EFTPS	-22,301.74
12/17/12	ACH 0400	RETURNED CHECK (Ret. Ck. 12-04)	-175.00
12/20/12	ACH 0401	RETURNED CHECK (Ret. Ck. 12-05)	-158.84
12/20/12	ACH 0402	RETURNED CHECK (Ret. Ck. 12-06)	-107.70
12/21/12	ACH 0403	RETURNED CHECK (Ret. Ck. 12-07)	-271.39
12/24/12	ACH 0404	RETURNED CHECK (Ret. Ck. 12-08)	-364.77
12/19/12	ACH 0405	RETURNED ACH (Ret. ACH 12-01)	-124.47
1/3/13	ACH 0406	Merchant Services	-523.96
12/28/12	ACH 0408	Transfer to CD	-500,000.00
12/14/12	DD 0724	Clapham, David G	-271.05
12/14/12	DD 0725	Meraz, David E	-186.70
12/14/12	DD 0726	Villalon, Daniel	-258.05
12/31/12	DD 0727	Alvarez, Abel	-4,653.20
12/31/12	DD 0728	Brill, Kelly L.	-4,691.64
12/31/12	DD 0729	Buck, Cathy L.	-6,830.38
12/31/12	DD 0730	Castro, Kevin G.	-3,153.05
12/31/12	DD 0731	Chavez, Jr., Manuel T.	-5,375.24
12/31/12	DD 0732	Eclarin, Ernesto P.	-4,292.95
12/31/12	DD 0733	Estrada, Thomas A.	-4,234.94
12/31/12	DD 0734	Filice, James L.	-7,422.97
12/31/12	DD 0735	Girouard, Kenneth R.	-5,902.43
12/31/12	DD 0736	Hagins, Patrick M.	-4,606.57
12/31/12	DD 0737	Imperatrice, Patrick L.	-5,888.55
12/31/12	DD 0738	Jackson, Patrick W.	-6,555.11
12/31/12	DD 0739	Malko, Kim A.	-1,508.30
12/31/12	DD 0740	Norman, III, Walter R.	-5,682.95
12/31/12	DD 0741	Padilla, David	-4,943.30
12/31/12	DD 0742	Porteur, Carol A.	-3,831.83
12/31/12	DD 0743	Void	0.00
12/31/12	DD 0744	Watson, Scott A.	-4,640.11
12/31/12	DD 0745	Zavala, Anabel G.	-4,060.06
12/31/12	DD 0746	Jackson, Norma	-255.43
12/11/12	18045	Toro Petroleum Corp.	-1,174.76
12/14/12	18046	Anderson, Dawn V	-283.05
12/14/12	18047	Hill, Kathleen A	-283.05
12/17/12	18048	A-1 Services	-373.00
12/17/12	18049	All Star Ready Mix, LLC	-989.84
12/17/12	18050	American Water Works Assoc. CA-NV Secti	-360.00
12/17/12	18051	Anderson Pacific Engineering Constr, Inc.	-218,822.88
12/17/12	18052	B S K Analytical Laboratories, Inc.	-801.00
12/17/12	18053	Bianchi Kasavan & Pope, LLP	-297.00
12/17/12	18054	Bracewell Engineering, Inc.	-1,566.00
12/17/12	18055	CM Analytical, Inc.	-3,460.00
12/17/12	18056	Consolidated Engineering Laboratories	-2,479.73
12/17/12	18057	CWEA Membership- TCP	-280.00
12/17/12	18058	EBCO Pest Control	-55.00
12/17/12	18059	Everbank Commercial Finance, Inc.	-226.35
12/17/12	18060	Hach Company	-481.78
12/17/12	18061	Hollister-Sunnyslope W. T. A.	-42,294.54
12/17/12	18062	OnTrac	-60.40
12/17/12	18063	Postal Graphics (was Post Net)	-2.94
12/17/12	18064	San Benito County Water District	-273.75
12/17/12	18065	Stargazer Packaging	-397.63
12/21/12	18066	MICHAEL S. & RADEEN BRENNAN	-72.43
12/21/12	18067	ROBERT BROWN	-150.00
12/21/12	18068	FIELD ASSEST SERVICES LLC	-100.95
12/21/12	18069	ALICIA GONZALEZ	-33.19
12/21/12	18070	NESTOR MARANA	-67.59

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
12/21/12	18071	Calcon System, Inc.	-2,069.72
12/21/12	18072	City of Hollister-Finance Dept	-327,592.32
12/21/12	18073	Consolidated Engineering Laboratories	-360.50
12/21/12	18074	First Trust Alarm Company	-290.00
12/21/12	18075	Santa Barbara Bank - \$1M Loan Pmts	-42,548.63
12/21/12	18076	Thomson West	-400.50
12/21/12	18077	Union Bank of California, N.A. (SF)	-626.25
12/21/12	18078	USA BlueBook	-84.09
12/31/12	18079	Employment Dev. Dept. (EDD) DE88 Pmts.	-8,286.99
12/31/12	18080	CalPERS - Retirement	-2,623.18
12/31/12	18081	Nationwide Retirements Solutions	-22,971.12
12/31/12	18082	San Benito County Sheriff's Office	-1,425.70
12/31/12	18083	United Way of Santa Cruz	-90.00
12/31/12	18084	ACWA/JPIA	-10,992.71
12/31/12	18085	Void	0.00
12/31/12	18086	CalPERS - Health Insurance	-13,737.85
12/31/12	18087	CalPERS - Retirement	-41,054.25
12/31/12	18088	Void	0.00
12/31/12	18089	Premier Access Insurance Co.	-3,325.10
12/26/12	18090	Postmaster	-235.75
12/27/12	18091	Void	0.00
12/27/12	18092	Calif. Dept. of Pesticide Regulation	-200.00
12/27/12	18093	Calif. Assoc. of Pest Control Advisers	-145.00
12/31/12	18094	Ridenhour, Donald G	-9,709.62
12/28/12	18095	Postmaster	-1,767.28
12/31/12	18096	Fort Dearborn Life Insurance Co.	-304.00
12/31/12	18097	Void	0.00
12/31/12	18098	Razzolink.com	-99.95
12/31/12	18099	Toro Petroleum Corp.	-1,280.75
12/31/12	18100	BAC (Beneficial Administration Company)	-353.57
1/2/13	18101	P G & E	-14,516.13
1/7/13	18102	Ace Hardware (Johnson Lumber Co.)	-124.70
1/7/13	18103	AT&T	-222.25
1/7/13	18104	Brigantino Irrigation	-144.43
1/7/13	18105	Enterprise Electric Co.	-85.00
1/7/13	18106	Everbank Commercial Finance, Inc.	-224.08
1/7/13	18107	Ferguson Enterprises, Inc.	-153.60
1/7/13	18108	Gabilan Welding, Inc.	-8.56
1/7/13	18109	Hawkins Traffic Safety Supply Inc	-325.18
1/7/13	18110	Hollister Auto Parts, Inc.	-145.06
1/7/13	18111	Itron, Inc.	-828.32
1/7/13	18112	John Smith Landfill	-37.05
1/7/13	18113	Mid Valley Supply	-42.22
1/7/13	18114	Mission Uniform Service	-644.10
1/7/13	18115	Monterey Bay Systems	-3,077.79
1/7/13	18116	National Meter & Automation, Inc.	-4,487.78
1/7/13	18117	O'Reilly Auto Parts	-6.35
1/7/13	18118	OnTrac	-57.72
1/7/13	18119	Palace Art & Office Supply	-253.83
1/7/13	18120	Recology San Benito County	-121.98
1/7/13	18121	RMC Water and Environment	-9,228.81
1/7/13	18122	San Benito County Water District	-157.75
1/7/13	18123	South Valley Internet, Inc.	-17.95
1/7/13	18124	U.S. Bank Corporate Payment Systems	-408.78
1/7/13	18125	Underground Service Alert	-135.00
1/7/13	18126	USA BlueBook	-31.36
1/7/13	18127	Verizon Wireless	-351.41
Total Disbursements			-1,417,681.88

M. STAFF REPORTS

1. **Directors:** No report.
2. **District Counsel:** Attorney Laredo thanked Directors and staff for attending the Ethics & Brown Act training on January 8th and said he and Attorney Quinn enjoyed the interaction.
3. **District Engineer:** No report.
4. **Finance-HR Manager:** No report.
5. **General Manager:** General Manager/Secretary Ridenhour reminded the Directors that his evaluation would be coming up and it would be on the next agenda.

N. FUTURE AGENDA ITEMS: Future agenda items include: Special meeting on January 29th to tour Ridgemark WWTP; Audit presentation for FY 11/12 for Sunnyslope and the Water Treatment Agency; Six-month budget review for FY 12/13, and Approval of the Water Treatment Agency Budget for FY 13/14.

O. ADJOURN: Upon motion made by Director Johnson, seconded by Director Clapham, and carried 4-0 (Director Villalon absent), the meeting was adjourned at 6:07 p.m.

APPROVED BY THE BOARD: s/ Dave Meraz

Dave Meraz, President

RESPECTFULLY SUBMITTED: s/ Donald G. Ridenhour

Donald G. Ridenhour, Secretary