

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
January 12, 2012

- A. CALL TO ORDER:** The meeting was called to order at 4:30 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 Dawn Anderson, Danny Villalon, Dave Clapham, and Kathleen Hill; Secretary Don Ridenhour; District Engineer Ken Girouard; and Attorney Lloyd Lowrey.
- C. CLOSED SESSION:** The Board adjourned to closed session to conference with negotiators on price and terms of purchase of lands adjacent to Well #8 (APN #0254200050) owned by Roy and Rita Lompa.
- D. CALL REGULAR MEETING TO ORDER:** The Regular 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.
- E. ROLL CALL: Present:** President Dave Meraz; Directors Dawn Anderson, Danny Villalon, Dave Clapham, and Kathleen Hill; Secretary Don Ridenhour; Attorney Lloyd Lowrey; and Board Stenographer Laura Wiener-Smolka.

Staff present for Open Session after Executive Session: District Engineer Ken Girouard, Finance & Human Resource Manager Cathy Buck, Water Superintendent Jim Filice, Executive Assistant Carol Porteur, Construction Inspector/Engineering Technician Patrick Imperatrice and Consultant Steve Kelley.

- F. REPORT ACTION TAKEN IN CLOSED SESSION:** President Meraz reported that in closed session the Board gave direction to the negotiators for the purchase of real property, and that no reportable actions were taken.
- G. APPROVAL OF AGENDA:** Upon motion made by Director Anderson, seconded by Director Clapham, and carried unanimously, the agenda for the January 12, 2012 meeting was approved.

- 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 public comments.

Others present at the meeting: Consultant to the Governance Committee Harry Blohm, Sue Dillon, Secretary of Ridgemark Homes Association, Tarasa Bettencourt, President of Ridgemark Homes Association, Steve Rosati, Ridgemark resident.

- I. READING AND APPROVAL OF MINUTES:** Cathy Buck pointed out that the November 8, 2011 special meeting minutes should be corrected to reflect the Closed Session Government Code Section number as 54957 not 54947, as pointed out by Christine Kemp at the meeting. Upon motion made by Director Clapham seconded by Director Villalon, and unanimously carried, the Board approved the minutes of the November 8, 2011 special meeting with the correction noted and the December 8, 2011 regular meeting.
- J. OLD BUSINESS:** None.

K. NEW BUSINSS:

1. RECEIVE, REVIEW, DISCUSS, AND TAKE APPROPRIATE ACTION ON UPDATE BY GOVERNANCE COMMITTEE STAFF AND HDR REGARDING IMPLEMENTATION OF THE HOLLISTER URBAN AREA WATER AND WASTEWATER MASTER PLAN AND COORDINATED WATER SUPPLY AND TREATMENT PLAN:

Harry Blohm, the Project Manager/Consultant for the Governance Committee gave an update on implementation of the Hollister Urban Area Water and Wastewater Master Plan and Coordinated Water Supply and Treatment Plan. He spoke about the proposed West Hills Water Treatment Plant, upgrade of the Lessalt Water Treatment plant, and construction of a pipeline from the Lessalt Plant to the Ridgemark high zone, all of which will allow Sunnyslope County Water District and the City of Hollister to meet regulated wastewater discharge requirements.

Mr. Blohm stated that staff of HDR, Governance Committee consultants, and Kennedy Jenks met to review cost comparisons for a range of upgrades to the Lessalt Plant; that the Governance Committee's management committee recommends starting with a first phase of the Lessalt Plant, upgrading its capacity to 2 mgd. He stated that the committee is discussing three treatment options: activated carbon; nanofiltration; and green sand filtration to remove iron and manganese, noting all three of which are essentially equal in cost.

Mr. Blohm stated that a technical memorandum with recommendations is being developed and will be presented to the management committee on January 19th; then presented to the Governance Committee for approval pending final approval by the local water agencies. In response to questions from Cathy Buck, Mr. Blohm stated that the report will include operating and maintenance considerations, including: costs; reliability; and flexibility in terms of future expansion. He stated that the report will include phased options for both treatment plants in order to minimize cost impacts to rate payers.

Harry Blohm stated that the pipeline construction from the Lessalt Plant to the high zone at Ridgemark will be discussed at the upcoming management committee meeting. He added that the City of Hollister is willing to discuss the option to accelerate the design of the project in order to meet Sunnyslope's waste discharge requirements in a timely manner.

Mr. Blohm discussed the Westhills Plant and stated that the management committee has recommended that the plant start at 4.5 mgd to start instead of the original 6 mgd and they will discuss refining the cost. He stated that the modeling of the water quality impacts for reducing from 6mgd to 4.5 mgd does not show significant impact. He added that over time the plant could be upgraded to 6 mgd and eventually to 9 mgd.

In response to a question from community member Mr. Rosati, Mr. Blohm stated that the report will address all three water treatment options in terms of water production and quality.

2. RECEIVE, REVIEW, DISCUSS, AND TAKE APPROPRIATE ACTION ON SEWER LATERAL POLICY: Secretary Ridenhour stated that following a sewer lateral issue at Lois Circle, the Policy and Procedures Committee met on December 27th and heard comments from residents representing the homeowners associations in Ridgemark. He stated that staff surveyed neighboring districts and found no common sewer lateral policy among them.

The Board heard public comments from Steve Rossati, Tarasa Bettencourt, Sue Dillon, and other residents. The homeowners generally agreed that the District's current policy of placing the cost burden of repairing a sewer lateral should not be borne by one homeowner; rather, that the District should maintain the sewer laterals in public streets and/or public rights-of-way and that the homeowners should pay the costs collectively through a monthly assessment to wastewater rates. Individual homeowners would remain responsible for maintenance of the portion of sewer laterals on private property.

Director Anderson stated that the Policy and Procedures Committee recommends modifying the District's policy as requested by the homeowners. It was noted that the Marina District has policy/ordinance language that could be used as a template.

During discussion and public comments, Ms. Bettencourt pointed out that the homeowners deeded the public sewer system to the District; that currently sewer laterals in the roads are the responsibility of the homeowners and responsibility for the sewer system is the District's. There was discussion of flag lots and several properties with sewer mains in private easements. Attorney Lowrey noted that if changes are made, there are water code issues that need to be addressed. Cathy Buck commented that issues could be addressed through the ordinance process.

President Meraz noted that there are long-term costs to the District and there would need to be a method for determining assessments. He asked if District staff has the capability to repair sewer laterals. Jim Filice stated that staff can do digging, repair, and compaction work; however, repaving would need to be contracted out.

Secretary Ridenhour noted that costs associated with repair of laterals and the street would be tracked as routine repairs and maintenance and those costs would be used to determine the need and amount of future sewer rate revisions in future years.

President Meraz noted that there are issues that need to be clarified before the Board can take action on this matter.

Upon motion made by Director Hill, seconded by Director Clapham, and unanimously carried, the Board requested that the Policy and Procedures Committee develop a revised sewer lateral policy to bring back to the Board for consideration at a future meeting.

- 3. RECEIVE, REVIEW, DISCUSS, AND TAKE APPROPRIATE ACTION TO UPDATE SIGNATURE CARDS FOR ALL BANK ACCOUNTS OF BOTH SUNNYSLOPE COUNTY WATER DISTRICT AND THE HOLLISTER-SUNNYSLOPE WATER TREATMENT AGENCY:** Cathy Buck stated that Board action is required to authorize updating signature cards for six bank accounts of the District and four accounts of the Hollister Sunnyslope Water Treatment Agency to remove outgoing Board member Doug Keck and outgoing General Manager Bryan Yamaoka, and add the new Board member Kathleen A. Hill and the new General Manager Donald G. Ridenhour.

Upon motion made by Director Villalon, seconded by Director Anderson, and unanimously carried, the Board approved updating all bank account signature cards for the Sunnyslope County Water District and Hollister-Sunnyslope Water Treatment Agency as recommended.

- 4. RECEIVE, REVIEW, DISCUSS, AND TAKE APPROPRIATE ACTION ON RIDGEMARK WASTEWATER TREATMENT AND RECYCLED WATER**

IMPROVEMENTS PROJECT STATUS AND PROGRESS PAYMENT REQUEST BY ANDERSON PACIFIC FOR \$590,703.52:

Engineer Girouard summarized progress made on the Ridgemark Wastewater Treatment and Recycled Water Improvements Project by Anderson Pacific through December 29, 2011. He recommended approval of a progress payment, after deducting the customary 10% retention, of a net total of \$590,703.52. Engineer Girouard noted that this payment will bring the project to approximately 26% complete based upon costs.

Upon motion made by Director Clapham, seconded by Director Villalon, and unanimously carried, the Board authorized a progress payment to Anderson Pacific in the amount of \$590,703.52.

L. BOARD AND STAFF COMMITTEE STATUS REPORTS:

1. **Governance Committee:** Director Villalon reported that the Governance Committee will be meeting on January 19, 2012. Secretary Ridenhour suggested that the District's committee members tour the Lessalt plant with Harry Blohm to discuss the various options under consideration. Director Villalon suggested that discussions include contract language. Cathy Buck recommended talking with plant operators about how engineering will impact operation of the upgraded plant.
2. **Water/Wastewater Committee:** No report.
3. **Finance Committee:** Cathy Buck reported that the Finance Committee needs to meet and discuss debt restructuring to lower interest rates. Secretary Ridenhour reported that the Committee also needs to discuss setting a new wholesale groundwater rate for billing the City for groundwater and updating the expired Fairview Tank agreement with the City.
4. **Policy and Procedure Committee:** The sewer later discussion from the December 27th meeting was discussed in agenda item K.2. Director Anderson reported that they also discussed what should be done for retiring Board members and staff. It was decided that certificates would be given to those serving 10 years and under, and a plaque would be given to those serving 10 or more years. The next meeting will be on January 17th.
5. **Water Resources Association of San Benito County:** Director Anderson reported that the WRA met on January 5th, and that Engineer Girouard and Secretary Ridenhour also attended the meeting. At the meeting, new officers were elected. The City of San Juan Bautista will chair future meetings. Director Anderson reported that Shawn Novack is working on the agency's annual budget which will be presented in July. John Damm was present at the meeting to discuss water softeners. Shawn Novack reported that there have only been 9 water softener rebates this year. Mr. Novack also spoke about reclaimed water and reported that an advanced placement class, from the high school, toured the reclaimed water plant. The next meeting will be on March 1st.
6. **Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** Engineer Girouard reported that staff is currently reviewing the fire sprinkler system for the project. Changes in sprinkler codes since the system was first designed may make it necessary to upsize one of the District's water pipes on the project. He stated that at some point he will be bringing cost estimates and a recommendation to the Board for a larger pipe for fire sprinklers for the Operations Building.

Engineer Girouard reported that recent changes in EPA emission regulations for demand-response use of portable generators may force an upgrade in the generator needed for this

project, which would be purchased near the project's completion. At this time, there are some inconsistencies in the regulations. Some regulation requirements are ahead of manufacturing. He stated that the District may be required to spend as much as \$75,000 for a generator with more horsepower if the currently specified generator is not available or does not meet the requirements when it is time to make the purchase.

7. **State Revolving Fund and Stimulus Package Financing:** Cathy Buck reported that three requests for reimbursement of almost \$3 million have been submitted to the State Revolving Fund. Two reimbursements have been received to date; and that the outstanding request totals \$816,893. Staff is preparing a reimbursement request for the payment to Anderson Pacific authorized in agenda item K.4 above.

Engineer Girouard stated that the District's request for State Revolving Funds for the Best Road project has been approved. He anticipates receiving the required loan authorization after the District's bonding and loan capacity is reviewed.

8. **Lessalt Water Treatment Plant:** This item was covered during agenda item K.1.

9. **Water Related Projects:** No report.

10. **District Operation Summary, Statement of Income, and Investment Summary; Lessalt Water Treatment Agency Investment and Disbursement Summaries; District Maintenance, Meter Reading, and Well Groundwater Level Reports:** The Board reviewed the December 31, 2011 District Operations Summary and the Statement of Income through November 30, 2011. Cathy Buck pointed out that the year to date financial reports are consistent with the District's budget projections. She stated that water charges are down over the previous month. Director Villalon commented that the late fees are going down and Ms. Buck responded that it is due to the revenue being down as well. She noted that over the past four months there has been no connection fee revenue and that the number of past due accounts has remained consistent between 11% to 13%.

Ms. Buck reported that 15% of customers are now using the District's free in-house Auto Pay service. She also reported that the MOM'S software has been upgraded to add On-line services for bill payment; access to 24-hour bill, payment, and usage histories; and e-bill services for customers. It needs to be tested and a link put on our web site, then announcement notices will be sent out to customers.

During review of the Investment Summary Ms. Buck reported that the District's fund balance as of December 31 is \$1,899,832.59, which includes six months' earned interest totaling \$7,264.14.

The Board reviewed Lessalt Water Treatment Agency financial reports, including the December 7, 2011 to January 10, 2012 Disbursement Summary totaling \$160,135.39. Ms. Buck noted that the Agency's \$119,252.24 payment to Sunnyslope reflects the District's catch-up billing for operator labor costs from February 16, 2011 to November 15, 2011.

Ms. Buck reviewed the Lessalt Water Treatment Agency Investment Summary ending December 31, 2011, and noted the fund totals \$1,833,588.12, which includes \$9,555.15 fiscal year-to-date (ten months) earnings. Ms. Buck noted that interest revenue is down from previous months because the higher yielding certificate of deposits rolled over to current rates of less than 1% interest annually.

Jim Filice reviewed the December, 2011 Maintenance Report and answered questions from Board members. In response to Director Anderson's question about item #49 relating to breakage of a wastewater force main, Mr. Filice explained that the force main was damaged while Anderson Pacific's crew was digging between ponds 1 and 4; that all the wastewater was pumped into pond 1. The District supplied repair clamps and Anderson Pacific repaired the main.

Secretary Ridenhour explained #48 in regards to the video camera used to check the sewer laterals, is a camera the District already has and he did not want to spend money on a higher resolution test until he was given direction by the Board.

During review of the Meter Reading Report for the period November 16 to December 14, 2011, Jim Filice noted the intertie meter data indicates the City received 59.4% of Lessalt water, while the District received 40.6%. Since the water allocation year began in February, the City has received 48.8% of Lessalt treated water as compared to 51.2% received by the District. Mr. Filice commented that during the coming winter months the percentages of water pumped from the Lessalt plant will become more evenly balanced between the two agencies.

Secretary Ridenhour reported that he and staff are working with Bartle Wells Associates to determine the cost value of groundwater to establish a wholesale groundwater sales rate so we can recover our costs on water owed to the District by the City and will be meeting with City staff to discuss methods of repayment. He stated that he will be bringing further information to the Board.

Jim Filice reviewed the groundwater level report and noted well levels are still trending upward, as predicted, due to less water pumped during the winter months.

M. ALLOWANCE OF CLAIMS: The Board reviewed the District's Disbursement Summary for the period December 7, 2011 through January 10, 2012. President Meraz questioned that we are still paying RMC Water and Environment. Engineer Girouard responded that although Patrick Imperatrice, Construction Inspector and Steve Kelly, Consultant are overseeing the project day-to-day, RMC still needs to review the design submittals to maintain consistency.

Upon motion made by Director Anderson, seconded by Director Hill, and unanimously carried, the Board approved the disbursements totaling \$1,493,570.97, which includes: \$1,164,178.72 for employee compensation and accounts payable; \$326,627.04 to the City of Hollister for sewer bills collected; and \$2,765.21 for customer refunds and returned checks. Last check written as of January 9, 2012 was check number 16995.

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
12/9/11	ACH 0263	EFTPS	-11,391.14
12/8/11	ACH 0264	Intuit, Inc.	-125.27
12/9/11	ACH 0265	RETURNED CHECK (Ret. ACH 12-01)	-694.86
12/16/11	ACH 0266	RETURNED CHECK (Ret.Ck. 12-02)	-34.21
12/19/11	ACH 0267	RETURNED CHECK (Ret.Ck. 12-03)	-166.00
12/16/11	ACH 0268	RETURNED CHECK (Ret. ACH 12-01)	-25.65
12/19/11	ACH 0269	RETURNED CHECK (Ret. ACH 12-02)	-145.29
12/30/11	ACH 0270	EFTPS	-19,167.04
12/20/11	ACH 0271	RETURNED CHECK (Ret.Ck. 12-04)	-69.35
12/23/11	ACH 0272	RETURNED CHECK (Ret.Ck. 12-05)	-151.87
12/28/11	ACH 0273	RETURNED CHECK (Ret.Ck. 12-06)	-179.49
12/27/11	ACH 0274	Santa Barbara Bank	-669.48
1/3/12	ACH 0275	Merchant Services	-490.12

Date	Num	Name	Amount
12/9/11	DD 0448	Yamaoka, Bryan M.	-26,980.42
12/30/11	DD 0449	Alvarez, Abel	-4,071.19
12/30/11	DD 0450	Brill, Kelly L.	-4,608.53
12/30/11	DD 0451	Buck, Cathy L.	-6,620.63
12/30/11	DD 0452	Castro, Kevin G.	-4,530.76
12/30/11	DD 0453	Chavez, Jr., Manuel T.	-4,985.03
12/30/11	DD 0454	Eclarin, Ernesto P.	-4,194.83
12/30/11	DD 0455	Estrada, Thomas A.	-3,927.60
12/30/11	DD 0456	Filice, James L.	-7,357.17
12/30/11	DD 0457	Girouard, Kenneth R.	-6,475.15
12/30/11	DD 0458	Hagins, Patrick M.	-4,128.25
12/30/11	DD 0459	Imperatrice, Patrick L.	-6,097.58
12/30/11	DD 0460	Jackson, Patrick W.	-6,361.70
12/30/11	DD 0461	Malko, Kim A.	-2,335.06
12/30/11	DD 0462	Norman, III, Walter R.	-5,155.75
12/30/11	DD 0463	Padilla, David	-4,877.51
12/30/11	DD 0464	Porteur, Carol A.	-3,741.94
12/30/11	DD 0465	Watson, Scott A.	-3,988.20
12/30/11	DD 0466	Zavala, Anabel G.	-4,047.50
12/30/11	DD 0467	Jackson, Norma	-320.43
1/10/12	DD 0468	Clapham, David G. (Dir. Dep.)	-200.00
1/10/12	DD 0469	Meraz, David (Dir. Dep.)	-100.00
1/10/12	DD 0470	Villalon, Daniel (Dir. Dep.)	-300.00
12/7/11	16880	Petty Cash	-503.04
12/7/11	16881	ANDRES A GONZALES	-7.03
12/7/11	16882	JACKIE MCABEE	-111.60
12/7/11	16883	ENIO E MONTINGRO	-81.36
12/7/11	16884	REAL HOME SERVICES & SOLUTIONS	-64.22
12/7/11	16885	MIKE CHAPMAN	-95.00
12/9/11	16886	Employment Dev. Dept. (EDD) DE88 Pmts.	-2,660.25
12/9/11	16887	Anderson Pacific Engineering Constr, Inc.	-662,006.88
12/12/11	16888	All Star Ready Mix, LLC	-735.35
12/12/11	16889	Analytical Technology, Inc.	-104.27
12/12/11	16890	Bartle Wells Associates	-2,025.00
12/12/11	16891	Corbin Willits Systems, Inc. (MOM's)	-1,333.46
12/12/11	16892	Everbank Commercial Finance, Inc.	-226.35
12/12/11	16893	Hach Company	-88.94
12/12/11	16894	Hollister-Sunnyslope W. T. A.	-32,991.96
12/12/11	16895	Postal Graphics (was Post Net)	-35.71
12/12/11	16896	Radio Shack (Crystal T.V.)	-32.46
12/12/11	16897	San Benito County Water District	-261.25
12/12/11	16898	South Valley Internet, Inc.	-17.95
12/12/11	16899	Toro Petroleum Corp.	-1,806.60
12/12/11	16900	U.S. Bank Corporate Payment Systems	-2,579.11
12/12/11	16901	Wright Bros. Welding & Sheet Metal, Inc.	-7.04
12/12/11	16902	Postmaster	-128.00
12/13/11	16903	Groeniger & Company	-2,872.43
12/15/11	16904	JEFF HODGE	-229.64
12/15/11	16905	Santa Barbara Bank - \$1M Loan Pmts	-42,548.63
12/19/11	16906	DORIS SCHMIDT	-117.35
12/19/11	16907	A-1 Services	-373.00
12/19/11	16908	Berger/Lewis Accountancy Corporation	-3,000.00
12/19/11	16909	Bianchi Kasavan & Pope, LLP	-1,308.74
12/19/11	16910	Calcon System, Inc.	-656.25
12/19/11	16911	City of Hollister-Finance Dept	-326,627.04
12/19/11	16912	Consolidated Engineering Laboratories	-1,380.20
12/19/11	16913	CWEA Membership- TCP	-264.00
12/19/11	16914	EBCO Pest Control	-55.00
12/19/11	16915	First Trust Alarm Company	-290.00

Date	Num	Name	Amount
12/19/11	16916	Hollister-Sunnyslope W. T. A.	-1,385.17
12/19/11	16917	Kelly, Stephen F.	-95.03
12/19/11	16918	Monterey Bay Systems	-3,904.72
12/19/11	16919	P G & E	-5,030.15
12/19/11	16920	Radio Shack (Crystal T.V.)	-41.12
12/19/11	16921	Thomson West	-357.20
12/19/11	16922	WorkHealth-Occupational /QVMC	-20.00
12/20/11	16923	CHRISTINA & DAVID AMENDT	-27.67
12/20/11	16924	MAYRA A FLORES	-94.82
12/20/11	16925	ADDIE MUENZER	-84.24
12/20/11	16926	SNELSON COMPANIES INC	-669.58
12/20/11	16927	JUSTIN TOBIN	-157.97
12/21/11	16928	Costco Wholesale	-244.33
12/22/11	16929	Postmaster	-247.45
12/30/11	16930	Employment Dev. Dept. (EDD) DE88 Pmts.	-7,634.28
12/30/11	16931	CalPERS - Retirement	-1,587.18
12/30/11	16932	Nationwide Retirements Solutions	-24,380.66
12/30/11	16933	United Way of Santa Cruz	-90.00
12/30/11	16934	BAC (Beneficial Administration Company)	-288.51
12/30/11	16935	CalPERS - Health Insurance	-11,749.61
12/30/11	16936	CalPERS - Retirement	-36,330.24
12/30/11	16937	Fort Dearborn Life Insurance Co.	-285.00
12/30/11	16938	Premier Access Insurance Co.	-3,060.44
12/23/11	16939	Employee Relations, Inc.	-223.50
12/23/11	16940	Hollister-Sunnyslope W. T. A.	-59,626.12
12/23/11	16941	Hollister Landscape Supply	-75.03
12/23/11	16942	Postal Graphics (was Post Net)	-45.90
12/23/11	16943	Toro Petroleum Corp.	-1,943.30
12/23/11	16944	Union Bank of CA, Corp Trust Div (LA)	-1,000.00
12/30/11	16947	ACWA/JPIA	-10,863.30
12/26/11	16948	CM Analytical, Inc.	-6,480.00
12/26/11	16949	Razzolink.com	-135.90
12/26/11	16950	RMC Water and Environment	-23,015.30
12/28/11	16951	Postmaster	-1,763.71
12/30/11	16952	Corbin Willits Systems, Inc. (MOM's)	-225.00
12/30/11	16953	Petty Cash	-16.22
12/30/11	16954	Y Wait Carpet Care	-99.50
1/3/12	16955	AT&T	-260.03
1/3/12	16956	Calif. Dept. of Public Health - OCP	-60.00
1/3/12	16957	Everbank Commercial Finance, Inc.	-224.08
1/3/12	16958	Hollister Auto Parts, Inc.	-57.02
1/3/12	16959	Itron, Inc.	-796.44
1/3/12	16960	Mission Uniform Service	-633.37
1/3/12	16961	Noland Hamerly Etienne & Hoss	-6,166.00
1/3/12	16962	O'Reilly Auto Parts	-64.54
1/3/12	16963	Recology San Benito County	-117.24
1/3/12	16964	Southwest Membrane Operator Association	-300.00
1/3/12	16965	Staples	-610.47
1/3/12	16966	Toro Petroleum Corp.	-4.48
1/3/12	16967	Verizon Wireless	-298.53
1/3/12	16968	Wallace Group	-1,643.50
1/3/12	16969	Wastewater Solutions	-720.00
1/3/12	16970	Wright Bros. Indust. Supply	-71.50
1/3/12	16971	Void	0.00
1/5/12	16972	CM Analytical, Inc.	-825.00
1/5/12	16973	Kelly, Stephen F.	-13,268.08
1/9/12	16974	Ace Hardware (Johnson Lumber Co.)	-24.08
1/9/12	16975	Anderson, Dawn V.	-200.00
1/9/12	16976	Calvista Insurance Agency Inc.	-16,929.00

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
1/9/12	16977	Consolidated Engineering Laboratories	-1,627.40
1/9/12	16978	Electrical Distributors Co.	-226.77
1/9/12	16979	Groeniger & Company	-1,102.53
1/9/12	16980	Hill, Kathleen A.	-200.00
1/9/12	16981	J L Wingert Co.	-294.01
1/9/12	16982	Mc Kinnon Lumber Co., Inc.	-99.05
1/9/12	16983	Void	0.00
1/9/12	16984	Palace Art & Office Supply	-3,498.78
1/9/12	16985	PAPA	-80.00
1/9/12	16986	Postal Graphics (was Post Net)	-11.08
1/9/12	16987	Postmaster	-440.00
1/9/12	16988	San Benito Cnty Mosq Abatement Prgm	-80.64
1/9/12	16989	San Benito County Water District	-187.75
1/9/12	16990	South Valley Internet, Inc.	-17.95
1/9/12	16991	Stargazer Packaging	-201.61
1/9/12	16992	U.S. Bank Corporate Payment Systems	-2,151.04
1/9/12	16993	Underground Service Alert	-123.00
1/9/12	16994	Wright Bros. Welding & Sheet Metal, Inc.	-124.09
1/9/12	16995	Mc Master-Carr	-213.65
Total Disbursements			<u>-1,493,570.97</u>

N. STAFF REPORTS

1. **Directors:** No Report.

2. **District Counsel:** Attorney Lowrey reported that there have been some changes to the Brown Act (AB1344) effective January 1, 2012. One of the new requirements has to do with the provisions in local agencies' employment contracts with their executives and managers. He briefly summarized a new provision that requires the employee to reimburse any legal defense costs paid by the employing agency if a Court determines the legal action against the executive/manager was the result of his/her violation of law. Other changes to the Brown Act relate to discussing some aspects of real estate transactions in closed session and meeting agenda noticing requirements.

Mr. Lowrey stated that he would like to have a short presentation at the next Board meeting to present the changes to the Brown Act.

3. **District Engineer:** Engineer Girouard reported that Jim Filice is working with a supplier, Memcor, regarding the filter warranty on filters purchased for the Lessalt treatment plant. The filters are not working properly and are causing maintenance issues; Memcor is investigating the situation.

4. **Finance-HR Manager:** Cathy Buck welcomed Board members to visit the office to see how the new online bill pay option works. She commented that the Board will be receiving District business cards soon.

5. **General Manager:** Secretary Ridenhour stated that the District's very capable staff has been doing a good job helping him acclimate in his position as General Manager. He stated that he has met with Rudi Golnik and Clint Quilter from the City of Hollister; Steve Wittry from San Benito County; Harry Blohm Governance Committee; and Jeff Cattaneo from San Benito County Water District to introduce himself. He reported his upcoming meetings, i.e., with Brent Ives to begin the strategic planning process; with Harry Blohm and Jeff Cattano to review the Master Plan; and meetings with City staff. Secretary Ridenhour requested a meeting with each Board member individually to go over general goals.

O. FUTURE AGENDA ITEMS: Future agenda items include an update on the proposed sewer lateral ordinance, Attorney Lowrey's presentation of changes to the Brown Act, and a Board workshop to develop a strategic plan.

The next regular meeting is scheduled to be held at 5:15 p.m. on Thursday, February 9, 2012.

P. ADJOURN: Upon motion made by Director Villalon, seconded by Director Clapham, and unanimously carried, the meeting was adjourned at 6:50 p.m.

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

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