

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
July 16, 2019

A. CALL TO ORDER: The meeting was called to order at 4:30 p.m. by Vice President Ross, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

B. ROLL CALL: Present: Vice President Ann Ross, Director Judi Johnson, Director James Parker, and Director Robert J. Rodriguez II. **Absent:** President Mike Alcorn (arrived at 4:55 p.m.)

C. PUBLIC COMMENT ON CLOSED SESSION MATTERS: Members of the public may address the Board on the item or items listed on the Closed Session agenda, with a time limit of 3 minutes per speaker. No public comment was made.

Staff Present for Closed Session: General Manager/Secretary Don Ridenhour and Attorney Heidi Quinn.

D. CLOSED SESSION (PURSUANT TO Government Code Section 54956.9 & 54957.6): At 4:31 p.m., Vice President Ross closed the meeting to the public to discuss the following:

1. **Conference with Legal Counsel** - Anticipated Litigation, Gov. Code § 54956.9(b): – One case.
2. **Conference with Labor Negotiators** - Gov. Code § 54957.6:
District Negotiators: Mike Alcorn, Ann Ross, and Don Ridenhour
Employee organizations: District Management Staff

President Alcorn arrived during closed session at 4:55 p.m.

President Alcorn reconvened the meeting to open session at 5:16 p.m.

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

F. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION: Attorney Heidi Quinn reported that status reports were provided on both items, direction was given by the Board, and no reportable action was taken by the Board.

G. APPROVAL OF AGENDA: Upon motion made by Director Ross, seconded by Director Rodriguez, and carried 5-0, 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. No public comment was made.

Staff present for Open Session: General Manager/Secretary Don Ridenhour, Attorney Heidi Quinn, Executive Assistant/Stenographer Carol Porteur, and Water/Wastewater Superintendent Jim Filice.

I. CONSENT AGENDA:

1. Approval of Minutes – The Board reviewed the minutes for the Regular Meeting of June 18, 2019.
2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of June 11, 2019 through July 8, 2019, totaling \$1,548,463.64, which includes \$1,228,804.31 for payments to vendors and employees, \$317,344.83 paid to the City of Hollister for collection of City sewer billings (net of our fees), and \$2,314.50 for customer refunds and checks returned. The last “ACH” # (electronic payments) was ACH #1465, the last “DD” # (direct deposit-electronic employee payments) was DD #2626, and the last check written was check #27053.

Date	Number	Name	Amount
06/14/19	ACH 1441	EFTPS	\$ -649.20
06/18/19	ACH 1442	RETURNED ACH (ACH Ret 06-01)	-140.68
06/18/19	ACH 1443	RETURNED ACH (ACH Ret 06-02)	-228.87
06/18/19	ACH 1444	RETURNED ACH (ACH Ret 06-03)	-135.11
06/19/19	ACH 1445	RETURNED ACH (ACH Ret 06-04)	-235.51
06/19/19	ACH 1446	RETURNED ACH (ACH Ret 06-05)	-128.00
06/19/19	ACH 1447	RETURNED ACH (ACH Ret 06-06)	-215.15
06/19/19	ACH 1448	RETURNED ACH (ACH Ret 06-07)	-147.02
06/19/19	ACH 1449	RETURNED ACH (ACH Ret 06-08)	-131.17
06/21/19	ACH 1450	CalPERS - Retirement	-505.44
06/21/19	ACH 1451	CalPERS - Retirement	-6,030.11
06/21/19	ACH 1452	EFTPS	-9,125.90
06/21/19	ACH 1453	Employment Dev. Dept. (EDD) DE88 Pmts.	-4,102.06
06/18/19	ACH 1454	RETURNED CHECK (Ck Ret 06-01)	-92.44
06/28/19	ACH 1455	CalPERS - Retirement	-1,036.00
06/28/19	ACH 1456	CalPERS - Retirement	-2,011.82
06/28/19	ACH 1457	CalPERS - Retirement	-31,518.09
06/28/19	ACH 1458	CalPERS - Health Insurance	-16,588.49
06/28/19	ACH 1459	CalPERS - Retirement	-6,359.00

Date	Number	Name	Amount
06/28/19	ACH 1460	EFTPS	-29,933.48
06/28/19	ACH 1461	Employment Dev. Dept. (EDD) DE88 Pmts.	-12,165.62
07/02/19	ACH 1462	North American Bancard	-901.51
07/05/19	ACH 1463	American Express	-23.01
07/03/19	ACH 1464	First Data Merchant Services	-44.90
07/03/19	ACH 1465	North American Bancard	-1,189.24
06/14/19	DD 2599	Alcorn, Michael H.	-567.28
06/14/19	DD 2600	Johnson, Judi H.	-814.32
06/14/19	DD 2601	Parker, James F	-738.80
06/14/19	DD 2602	Rodriguez, II, Robert J.	-323.22
06/14/19	DD 2603	Ross, Ann C.	-567.28
06/28/19	DD 2604	Alvarez, Abel	-6,643.75
06/28/19	DD 2605	Bernal, Melissa M	-2,720.67
06/28/19	DD 2606	Boltz, William K	-6,978.53
06/28/19	DD 2607	Buck, Cathy L.	-6,300.32
06/28/19	DD 2608	Burbank, Jr., Dee J.	-5,675.70
06/28/19	DD 2609	Castro, Kevin G.	-5,991.71
06/28/19	DD 2610	Chavez, Jr., Manuel T.	-7,842.48
06/28/19	DD 2611	Eclarin, Ernesto P.	-7,310.69
06/28/19	DD 2612	Filice, James L.	-7,836.06
06/28/19	DD 2613	Hagins, Patrick M.	-4,780.69
06/28/19	DD 2614	Hernandez, Bazilio	-5,346.78
06/28/19	DD 2615	Hillebrecht, Robert B.	-5,047.14
06/28/19	DD 2616	Jackson, Patrick W.	-6,169.79
06/28/19	DD 2617	Malko, Kim A.	-3,774.53
06/28/19	DD 2618	Norman, III, Walter R.	-5,510.29
06/28/19	DD 2619	Padilla, David	-6,084.37
06/28/19	DD 2620	Porteur, Carol A.	-4,666.67
06/28/19	DD 2621	Quick, Troy E.	-6,924.91
06/28/19	DD 2622	Ridenhour, Donald G.	-11,065.45
06/28/19	DD 2623	Roberts, Kelly L.	-4,847.72
06/28/19	DD 2624	Vargas Garcia, Michael J	-4,608.43
06/28/19	DD 2625	Watson, Scott A.	-7,750.70
06/28/19	DD 2626	Zavala, Anabel G.	-4,390.04
06/17/19	26958	Bracewell Engineering, Inc.	-808.00
06/17/19	26959	Brenntag Pacific, Inc.	-21,991.58
06/17/19	26960	Central Ag Supply LLC	-1,287.06
06/17/19	26961	City of Hollister-Finance Dept	-348,459.16
06/17/19	26962	EBCO Pest Control	-60.00
06/17/19	26963	Edges Electrical Group, LLC	-467.24
06/17/19	26964	Green Line	-2,020.00
06/17/19	26965	Hach Company	-991.04

Date	Number	Name	Amount
06/17/19	26966	Mc Master-Carr	-472.87
06/17/19	26967	O'Reilly Auto Parts	-17.47
06/17/19	26968	OnTrac	-12.59
06/17/19	26969	Ryan Herco Flow Solutions	-656.48
06/17/19	26970	San Benito County Water District	-286.75
06/17/19	26971	Star Concrete	-384.39
06/17/19	26972	GERALD MAROZICK	-184.56
06/17/19	26973	ERIC & NICOLE SCHNEIDER	-70.36
06/17/19	26974	GIOVANNI & MELANIA VALI	-128.47
06/21/19	26975	Alvarez, Abel	-1,591.33
06/21/19	26976	Bernal, Melissa M	-677.54
06/21/19	26977	Boltz, William K	-1,809.47
06/21/19	26978	Burbank, Jr., Dee J.	-1,489.80
06/21/19	26979	Castro, Kevin G.	-1,560.13
06/21/19	26980	Chavez, Jr., Manuel T.	-1,932.98
06/21/19	26981	Eclarin, Ernesto P.	-1,903.84
06/21/19	26982	Hagins, Patrick M.	-1,469.03
06/21/19	26983	Hernandez, Bazilio	-1,393.18
06/21/19	26984	Malko, Kim A.	-1,124.88
06/21/19	26985	Norman, III, Walter R.	-1,411.74
06/21/19	26986	Padilla, David	-1,503.04
06/21/19	26987	Quick, Troy E.	-1,546.58
06/21/19	26988	Roberts, Kelly L.	-1,239.75
06/21/19	26989	Vargas Garcia, Michael J	-102.37
06/21/19	26990	Watson, Scott A.	-1,852.82
06/21/19	26991	Zavala, Anabel G.	-1,236.50
06/24/19	26992	Chavez, Jr., Manuel T.	-109.24
06/24/19	26993	Bianchi Kasavan & Pope, LLP	-1,317.50
06/24/19	26994	Brenntag Pacific, Inc.	-11,358.29
06/24/19	26995	Corbin Willits Systems, Inc. (MOM's)	-8,229.00
06/24/19	26996	De Lay & Laredo	-3,545.50
06/24/19	26997	Edges Electrical Group, LLC	-109.63
06/24/19	26998	First Trust Alarm Company	-698.00
06/24/19	26999	Hach Company	-1,743.61
06/24/19	27000	Iconix Waterworks (US) Inc.	-4,102.11
06/24/19	27001	Konica Minolta Premier Finance	-416.76
06/24/19	27002	P G & E	-18,559.45
06/24/19	27003	Specialty Construction Inc.	-251,776.22
06/24/19	27004	Sunnyslope County Water - Retainage	-13,251.38
06/24/19	27005	Toro Petroleum Corp.	-1,926.93
06/24/19	27006	USA Blue Book	-414.10
06/28/19	27007	Nationwide Retirements Solutions	-16,199.00

Date	Number	Name	Amount
06/28/19	27008	United Way of San Benito County	-150.00
06/28/19	27009	Dearborn National Life Insurance Company	-362.41
06/28/19	27010	Pathian Administrators (VSP)	-351.34
06/28/19	27011	Premier Access Insurance Co.	-3,538.77
06/24/19	27012	Postmaster	-188.48
06/28/19	27013	Petty Cash	-20.00
06/28/19	27014	Postmaster	-2,102.10
07/01/19	27015	AT&T	-290.74
07/01/19	27016	Auto Tech Service Center, Inc.	-80.82
07/01/19	27017	Brenntag Pacific, Inc.	-22,315.15
07/01/19	27018	Brigantino Irrigation	-5.78
07/01/19	27019	Cole-Parmer Instrument Co.	-81.30
07/01/19	27020	Hach Company	-602.23
07/01/19	27021	Kennedy/Jenks Consultants	-28,194.45
07/01/19	27022	Mc Master-Carr	-111.31
07/01/19	27023	Mid Valley Supply	-203.94
07/01/19	27024	O'Reilly Auto Parts	-5.98
07/01/19	27025	Palace Business Solutions	-86.45
07/01/19	27026	Postmaster	-27.00
07/01/19	27027	Razzolink.com	-76.95
07/01/19	27028	San Benito County Water District	-317,344.83
07/01/19	27029	San Benito Tire Pros & Automotive	-120.00
07/01/19	27030	Veolia Water Technologies	-59,039.33
07/01/19	27031	Verizon Wireless	-264.43
07/01/19	27032	Wright Bros. Indust. Supply	-67.94
07/01/19	27033	ACWA/JPIA	-15,241.82
07/08/19	27034	ERNIE COUSTETTE	-47.00
07/08/19	27035	ROBERT K LYNCH	-256.38
07/08/19	27036	STEFFEN & ELKE PENKA	-27.57
07/08/19	27037	F JUAREZ & SALVADOR SANCHEZ JR	-146.21
07/08/19	27038	Jackson, Patrick W.	-136.55
07/08/19	27039	Ace Hardware (Johnson Lumber Co.)	-532.25
07/08/19	27040	AT&T	-548.23
07/08/19	27041	Bracewell Engineering, Inc.	-140.00
07/08/19	27042	Brenntag Pacific, Inc.	-12,097.38
07/08/19	27043	CalVista Insurance Agency Inc.	-69,226.00
07/08/19	27044	CM Analytical, Inc.	-8,946.25
07/08/19	27045	Mission Uniform Service	-695.12
07/08/19	27046	Northern Tool & Equipment Co.	-82.09
07/08/19	27047	San Benito Tire Pros & Automotive	-20.00
07/08/19	27048	South Valley Internet, Inc.	-20.45
07/08/19	27049	Toro Petroleum Corp.	-1,599.66

Date	Number	Name	Amount
07/08/19	27050	Transene Company Inc (Shape Products)	-146.34
07/08/19	27051	U.S. Bank Corporate Payment Systems	-1,812.63
07/08/19	27052	Wright Bros. Welding & Sheet Metal, Inc.	-198.00
07/08/19	27053	AT&T	-96.12
			\$ -1,548,463.64

Upon motion made by Director Parker, seconded by Director Ross, and carried 5-0, the consent agenda was approved as presented.

J. NEW BUSINESS:

- 1. CONSIDER APPROVAL OF AMENDMENTS TO WAGES AND BENEFITS FOR DISTRICT MANAGEMENT STAFF THROUGH JUNE 30, 2020 (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Ridenhour explained that the Personnel Committee has been holding negotiation meetings with the District’s Management Staff. Negotiations of a multi-year contract will require more time. A one-year agreement is proposed that would be effective July 1, 2019 and would extend through June 30, 2020. The Personnel Committee anticipates further negotiations on a multi-year agreement to continue in a few months once summer vacations are over and Personnel Meetings can be scheduled. The Personnel Committee is recommending the following:

Compensation Changes Requested

- 4% Wage Increase effective July 1, 2019

Provide Benefits Granted to Union Staff

1. Recognize Veterans Day as a District Holiday
2. Increase Cell Phone Allowance from \$20 to \$30 per month
3. Increase Boot Allowance from \$150 to \$250 per year
4. Offer an Office Uniform Allowance of \$100 per year
5. Eliminate the 6-day per year limit on Kin Care Leave

President Alcorn stated that the Personal Committee supports the amendments to wage and benefits for the District Management Staff, but would also like to see a longer term contract in place prior to the end of the year.

Director Johnson handed out a spreadsheet that showed the cost of management salaries and the cost of possible salary increases between 4% and 4.5%. Director Johnson made a

motion to increase the compensation to 4.5% and provide the benefits granted to Union Staff. No second was received, so the motion failed. There was more discussion about negotiations and President Alcorn committed to reviewing the information and resuming negotiations later in the year for longer term contract.

Upon motion made by Director Ross, seconded by Director Parker, and carried 3-2 (Directors Johnson and Rodriguez voted no) the Board approved amendments to wages and benefits for District Management Staff as recommended by the Personnel Committee (4% wage increase and benefits granted to Union Staff) through June 30, 2020.

- 2. DIRECT THE GENERAL MANAGER TO PREPARE AND PUBLISH THE NECESSARY NOTICES TO APPOINT OR CALL A SPECIAL ELECTION TO FILL A VACANCY ON THE BOARD OF DIRECTORS CREATED BY THE ANTICIPATED RESIGNATION OF DIRECTOR RODRIGUEZ (Not a project under CEQA per Article 20, Section 15378):** Director Rodriguez recused himself from this agenda item. General Manager/Secretary Ridenhour stated that Director Robert Rodriguez II has submitted a letter of resignation from the Board of Directors effective July 22, 2019. Director Rodriguez is finishing the construction of a new home on property outside the District and will be moving, which will require him to resign from the Board. Staff would like to begin the process of filling the vacancy either by appointment or by special election.

California Government Code Section 1780 (attached) and Board Policy 7080 (attached) specify the methods the Board of Directors may take to fill the vacancy on the Board. The remaining Board of Directors may fill the vacancy either by appointment or by calling an election within 60 days. If a decision is not made within that timeframe, the Board's power to appoint or set an election is transferred to the County Board of Supervisors, which then has the authority to appoint a person or order the District to call an election. Should the Board of Supervisors fail to act within 90 days, the District Board is required to set an election.

If the Board decides to fill the vacancy by appointment, the appointment must be made within 60 days or near the end of September. The person shall hold office until November 2020. The Board may review applications and invite those candidates that a majority of the Board determine are the most qualified, or may invite all of the candidates for an interview before the Board at its regular September meeting or at a special meeting. The Board will then vote to determine if a majority of the Board can agree on a selected replacement candidate. The District must notice the vacancy in three locations within the District at least 15 days prior to the appointment. Staff would prepare the notices and an application for prospective Board members. This is the process the Board followed in December/January 2019 to fill a vacancy created by a Board Member resignation.

If the Board decides to fill the vacancy by election, the process gets more complicated and staff would work with the County Elections Office to make sure we follow the appropriate codes and regulations. The election could be held on the next established election date that is 130 days or more after the date the District calls the election, which is November, 2020. The Board may also call a special election, which could happen in the next several months, but comes at a significant expense. The County Elections Office provided an estimate of \$50,000 two years ago to a small school district that they thought might be similar to Sunnyslope County Water District. There are other specific requirements outlined in California Government Code Section 1780.

Staff is requesting direction from the Board on how they wish to fill the vacancy and authorization to proceed with the process selected. Notice of the vacancy will be sent to the County elections official as required.

The Board expressed their appreciation and enjoyment of working with Director Rodriguez during his tenure with the District and stated that he has been an outstanding Board member.

Upon motion made by Director Johnson, seconded by Director Ross and carried 4-0 (Director Rodriguez recused) the Board chose to fill the vacancy by appointment and directed the General Manager to prepare and publish the necessary notices to fill the vacancy due to the resignation of Director Rodriguez.

3. **CONSIDER AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH RALPH ANDERSON & ASSOCIATES FOR CONDUCTING RECRUITMENT SERVICES FOR THE POSITION OF GENERAL MANAGER FOR AN AMOUNT NOT TO EXCEED \$25,000 (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Ridenhour explained that the Personnel Committee has reviewed and discussed proposals received from consulting human resources firms for the recruitment of a new General Manager to replace Mr. Ridenhour upon his retirement on November 30, 2019. The Personnel Committee is recommending the District enter into an Agreement with Ralph Andersen & Associates to perform the recruitment. Proposals were solicited from four reputable firms and three proposals were received from the following:

Ralph Andersen & Associates
5800 Stanford Ranch Road, Suite 410
Rocklin, CA 95765

CPS HR Consulting
2450 Del Paso Road, Suite 220
Sacramento, CA 95834

Bob Murray & Associates
1544 Eureka Road, Suite 280
Roseville, CA 95661

The three proposals received were all very good and very comparable in cost, but the Ralph Andersen & Associates proposal stood out. They have an extensive client list and the lead person they will assign to the recruitment (John Rossi) has extensive water utility experience, which will ensure the District will have qualified candidates for the Board to interview. The Board of Directors were all given the Ralph Andersen & Associates proposal.

The Board of Directors expressed their sincere appreciation for the enjoyment of working with General Manager Ridenhour. The Board also appreciates his guidance and judgement used to leave the District in a good position.

Upon motion made by Director Ross, seconded by Director Rodriguez, and carried 5-0 the Board authorized the General Manager to execute an agreement with Ralph Andersen & Associates for conducting recruitment services for the position of General Manager for an amount not to exceed \$25,000.

K. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** No meeting.
2. **Water/Wastewater Committee:** No meeting.
3. **Finance Committee:** No meeting.
4. **Policy and Procedure Committee:** No meeting.
5. **Personnel Committee:** Director Ross reported that the Committee met on June 25th with Management Staff to discuss labor negotiations.
6. **Water Resources Association of San Benito County (WRA):** Director Johnson reported that the next meeting has been changed to August 8th at 4:00 p.m. at San Benito County Water District.
7. **Operation Summary, Statement of Income, Investment Summary, Maintenance, City Meter Reading, and Groundwater Level Measurement Reports:** General Manager/Secretary Ridenhour stated that the capacity fees have added to the financial stability of the District even though the numbers are down from last year. Mr. Ridenhour

asked if there were any questions on the Operation Summary (thru June 30, 2019), and Investment Summary (thru June 30, 2019) and there were none.

The District's Investment Summary report reflects the total cash balance as of June 30, 2019 of \$ 10,052,972.98, which includes posted interest totaling \$173,898.40 (twelve months interest on the Money Market account, and interest on the LAIF investment that posted in July, October, January, and April.

General Manager/Secretary Ridenhour stated that the District is in a good financial position even after paying off the CalPERS Unfunded Liability and about 90% of the \$5M Crosstown Pipeline project. Mr. Ridenhour reported that revenues and rates should be reviewed again in the spring of 2020 to determine if future adjustments are needed.

President Alcorn asked about rates and capacity fees and the need for capacity fees to be reviewed regularly to ensure development is contributing their fair share of costs to improve the District. Mr. Ridenhour reported that when the multi-year rates and capacity fees were approved in 2013 the ordinance called for the fees to be increased each July 1st by the construction cost index of the prior year. The Board discussed the need to review the financial health of the District regularly and to revisit the need to adjust rates in the future.

Water/Wastewater Superintendent Jim Filice reported on the June 30, 2019 Maintenance Staff Report, and stated that Director Johnson had come in to see him and had a few questions answered in regards to the report.

In review of the Meter Reading Report for the period of May 15, 2019 to June 17, 2019, the intertie meter data indicates the City received -5.2% of Lessalt Water Treatment Plant water, while the District received 105.2%, and the City received 100% of the West Hills Water Treatment Plant water, while the District received 0%. Mr. Filice stated that the water balance owed to Sunnyslope from the City is hovering about the same.

Water/Wastewater Superintendent Jim Filice reported on the groundwater level report, stating that the water has leveled off.

8. **Active Tasks Update:** General Manager/Secretary Ridenhour reported on the **Crosstown Pipeline**, explaining that Specialty Construction has completed the electrical work at the booster pump station, placed the final paving, installed protective bollards, and continue to perform punch list items. The District is now on the PG&E construction schedule to set the transformer and set a meter for the facility. As soon as power is connected the final testing of the facility will occur and the project can be completed.

Mr. Ridenhour stated that there will be a **Governance Committee** meeting on July 24th to provide and update on the Sustainable Groundwater Management Act and San Benito County Water District activities. Director Parker will be attending as the District's representative.

Staff is discussing with the developer of the Lompa Property the potential to finance water and sewer capacity fees using the **California Statewide Communities Development Authority (CSCDA) and their Statewide Community Infrastructure Program (SCIP)**. The County has to be a member of SCIP for the District to allow this type of financing. SCIP would allow the developer to finance the District's fees and put the repayment on the tax rolls of each property. The District is a member of the CSCDA and Mr. Ridenhour will bring a resolution to join SCIP for the Board's consideration once all the details are worked out. The Finance Committee has reviewed and discussed this financing option.

L. BOARD and STAFF REPORTS

1. **Directors:** Director Ross reported that she will be on vacation from July 23rd through August 20th.
2. **District Counsel:** No report.
3. **Finance and Human Resource Manager:** No report, Ms. Buck is on vacation.
4. **Assistant Engineer:** No report, Mr. Hillebrecht is on vacation.
5. **General Manager:** No report.

M. FUTURE AGENDA ITEMS: SCIP Program; Prospective Board Member interviews; consider hiring a professional wage/benefits negotiator; and ACWA/JPIA Fall Conference.

N. ADJOURNMENT: President Alcorn adjourned the meeting at 6:06 p.m.

APPROVED BY THE BOARD: *s/ Michael H. Alcorn*
Michael H. Alcorn, President

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