

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
July 21, 2015

- A. CALL TO ORDER:** The meeting was called to order at 5:15 p.m. by President Hill, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. ROLL CALL: Present:** President Kathleen Hill; Directors Michael Alcorn, Judi Johnson, Dave Meraz, and Danny Villalon.
- C. PLEDGE OF ALLEGIANCE:** Finance & Human Resource Manager Cathy Buck led Directors, staff, and public in the Pledge of Allegiance.
- D. APPROVAL OF AGENDA:** Upon motion made by Director Johnson, seconded by Director Villalon, and carried unanimously (5-0) the agenda was approved as presented.
- E. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS:** The Board welcomed members of the public and opened the meeting to public comments regarding matters not itemized on the agenda. There were no comments.

Staff present for Open Session: General Manager/Secretary Don Ridenhour, Attorney Heidi Quinn, Water/Wastewater Superintendent Jim Filice, Assistant Engineer Rob Hillebrecht, and Finance and Human Resource Manager/Stenographer Cathy Buck.

F. CONSENT AGENDA:

1. Approval of Minutes – for the Regular Meeting of June 16, 2015.
2. Allowance of Claims – to ratify disbursements for the period from June 9, 2015 through July 13, 2015, totaling \$1,309,114.54 which includes \$630,343.95 for payments to vendors and employees, \$677,804.76 paid to the City of Hollister for amounts collected from their customer’s for City sewer billings net of our fees, and \$965.83, for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of July13, 2015 was check #21012. The list of disbursements is as follows:

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
06/15/15	ACH 0707	EFTPS	-357.10
06/15/15	ACH 0708	RETURNED CHECK (Ck Ret 06-01)	-209.47
06/17/15	ACH 0709	RETURNED ACH (ACH Ret 06-01)	-143.58
06/22/15	ACH 0710	RETURNED CHECK (Ck Ret 06-02)	-149.76
06/30/15	ACH 0711	EFTPS	-21,118.04
06/17/15	ACH 0712	Intuit, Inc.	-128.00
06/09/15	ACH 0713	Merchant Services	-724.89
06/30/15	ACH 0714	Merchant Services	-994.96
07/03/15	ACH 0715	Merchant Services	-383.11
06/15/15	DD 1387	Alcorn, Michael H	-277.05
06/15/15	DD 1388	Johnson, Judi H	-430.75
06/15/15	DD 1389	Meraz, David E	-92.35
06/15/15	DD 1390	Villalon, Daniel	-344.40
06/30/15	DD 1391	Alvarez, Abel	-4,967.65
06/30/15	DD 1392	Brill, Kelly L.	-4,610.61
06/30/15	DD 1393	Buck, Cathy L.	-6,463.21
06/30/15	DD 1394	Castro, Kevin G.	-4,868.77
06/30/15	DD 1395	Chavez, Jr., Manuel T.	-6,778.28
06/30/15	DD 1396	Eclarin, Ernesto P.	-4,994.37

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
06/30/15	DD 1397	Filice, James L.	-6,647.68
06/30/15	DD 1398	Hagins, Patrick M.	-5,066.56
06/30/15	DD 1399	Hillebrecht, Robert B	-3,443.09
06/30/15	DD 1400	Jackson, Patrick W.	-5,773.93
06/30/15	DD 1401	Malko, Kim A.	-2,858.33
06/30/15	DD 1402	Marden, Robert E	-449.77
06/30/15	DD 1403	Norman, III, Walter R.	-5,378.18
06/30/15	DD 1404	Padilla, David	-5,760.75
06/30/15	DD 1405	Porteur, Carol A.	-4,096.07
06/30/15	DD 1406	Quick, Troy E	-3,694.31
06/30/15	DD 1407	Ridenhour, Donald G	-9,796.39
06/30/15	DD 1408	Watson, Scott A.	-5,248.75
06/30/15	DD 1409	Zavala, Anabel G.	-4,268.35
06/15/15	20894	Alvarez, Abel	-31.21
06/15/15	20895	All Star Ready Mix, LLC	-679.44
06/15/15	20896	Auto Tech Service Center, Inc.	-445.26
06/15/15	20897	Backflow Apparatus & Valve Co. (BAVCO)	-505.68
06/15/15	20898	Bianchi Kasavan & Pope, LLP	-770.00
06/15/15	20899	EBCO Pest Control	-55.00
06/15/15	20900	Hach Company	-119.70
06/15/15	20901	MBS Business Systems	-2,824.79
06/15/15	20902	Recology San Benito County	-126.03
06/15/15	20903	Tadco Supply	-371.17
06/15/15	20904	Toro Petroleum Corp.	-1,234.62
06/15/15	20905	Trans Union LLC	-104.16
06/15/15	20906	Hill, Kathleen A	-328.40
06/17/15	20907	Ben Caputo Printing	-1,181.41
06/18/15	20908	Watson, Scott A.	-150.00
06/22/15	20909	A-1 Services	-403.00
06/22/15	20910	Brenntag Pacific, Inc.	-5,906.17
06/22/15	20911	CalVista Insurance Agency Inc.	-55,340.00
06/22/15	20912	City of Hollister-Finance Dept	-335,943.62
06/22/15	20913	CM Analytical, Inc.	-2,850.00
06/22/15	20914	De Lay & Laredo	-2,000.00
06/22/15	20915	Hach Company	-60.34
06/22/15	20916	Harper & Associates Engineering, Inc.	-9,771.25
06/22/15	20917	Independent Business Forms, Inc.	-4,721.83
06/22/15	20918	Itron, Inc.	-789.82
06/22/15	20919	John Smith Road Landfill	-12.00
06/22/15	20920	National Meter & Automation, Inc.	-78,286.88
06/22/15	20921	NH3 Service Company	-1,493.33
06/22/15	20922	Paso Robles Tank, Inc.	-67,776.80
06/22/15	20923	Postmaster	-220.00
06/22/15	20924	AICPA	-355.00
06/22/15	20925	Ben Caputo Printing	-4,658.60
06/24/15	20926	Postmaster	-232.21
06/29/15	20927	Padilla, David	-150.00
06/29/15	20928	ANDERSON HOMES	-27.23
06/29/15	20929	DENISE & JIMMIE BRAWLEY	-71.74
06/29/15	20930	MICHAEL DWIGHT	-78.72
06/29/15	20931	STEPHEN & SHARI MCHENRY	-99.99
06/29/15	20932	JOEL MENDOZA	-33.70
06/29/15	20933	MICHAEL QUINTANA	-83.00
06/29/15	20934	ROBERT V & EDNA M VEGA SR.	-68.64
06/29/15	20935	All Star Ready Mix, LLC	-90.04
06/29/15	20936	AT&T	-248.70
06/29/15	20937	Auto Tech Service Center, Inc.	-104.83
06/29/15	20938	B.W.S. Distributors, Inc.	-309.40
06/29/15	20939	Bracewell Engineering, Inc.	-378.00
06/29/15	20940	Brigantino Irrigation	-41.68
06/29/15	20941	CM Analytical, Inc.	-5,047.50

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
06/29/15	20942	Corbin Willits Systems, Inc. (MOM's)	-8,056.20
06/29/15	20943	Ferguson Enterprises, Inc.	-34.08
06/29/15	20944	First Trust Alarm Company	-1,600.00
06/29/15	20945	Hach Company	-43.20
06/29/15	20946	Palace Business Solutions	-123.52
06/29/15	20947	Petty Cash	-85.87
06/29/15	20948	Postmaster	-94.40
06/29/15	20949	Radio Shack (Crystal T.V.)	-43.39
06/29/15	20950	Razzolink.com	-209.85
06/29/15	20951	San Benito Tire, Inc.	-20.00
06/29/15	20952	Shape, Inc.	-466.99
06/29/15	20953	State Water Resources Control Board-DWOCP	-60.00
06/29/15	20954	Toro Petroleum Corp.	-1,271.69
06/29/15	20955	Verizon Wireless	-379.94
06/29/15	20956	Wright Bros. Indust. Supply	-149.99
06/29/15	20957	Postmaster	-1,976.56
06/30/15	20958	Employment Dev. Dept. (EDD) DE88 Pmts.	-7,934.85
06/30/15	20959	CalPERS - Retirement	-1,036.00
06/30/15	20960	CalPERS - Retirement	-600.10
06/30/15	20961	Nationwide Retirements Solutions	-12,540.73
06/30/15	20962	United Way of Santa Cruz	-120.00
06/30/15	20963	ACWA/JPIA	-11,630.08
06/30/15	20964	CalPERS - Health Insurance	-15,608.01
06/30/15	20965	CalPERS - Retirement	-28,609.38
06/30/15	20966	Dearborn National Life Insurance Company	-288.00
06/30/15	20967	HealthSmart Benefit Solutions, Inc. (VSP)	-336.93
06/30/15	20968	Premier Access Insurance Co.	-3,231.85
07/01/15	20969	San Benito County Clerk	-60.00
07/06/15	20970	Porteur, Carol A.	-131.83
07/06/15	20971	Ace Hardware (Johnson Lumber Co.)	-266.44
07/06/15	20972	All Star Ready Mix, LLC	-345.99
07/06/15	20973	Auto Tech Service Center, Inc.	-36.88
07/06/15	20974	Brenntag Pacific, Inc.	-2,773.99
07/06/15	20975	Brigantino Irrigation	-4.64
07/06/15	20976	CM Analytical, Inc.	-855.00
07/06/15	20977	Corix Water Products	-3,065.45
07/06/15	20978	Everbank Commercial Finance, Inc.	-224.60
07/06/15	20979	Hach Company	-829.39
07/06/15	20980	Independent Business Forms, Inc.	-2,885.80
07/06/15	20981	Interstate All Battery Center	-215.97
07/06/15	20982	Mc Master-Carr	-50.33
07/06/15	20983	Mission Uniform Service	-789.79
07/06/15	20984	National Meter & Automation, Inc.	-22,252.50
07/06/15	20985	O'Reilly Auto Parts	-41.19
07/06/15	20986	P G & E	-25,315.82
07/06/15	20987	South Valley Internet, Inc.	-20.45
07/13/15	20988	Stonecreek Properties	-2,552.52
07/13/15	20989	Norman, III, Walter R.	-146.80
07/13/15	20990	Ace Hardware (Johnson Lumber Co.)	-31.34
07/13/15	20991	AT&T	-289.56
07/13/15	20992	B S K Analytical Laboratories, Inc.	-1,163.00
07/13/15	20993	Bianchi Kasavan & Pope, LLP	-518.00
07/13/15	20994	CalPERS - Retirement	-89,279.00
07/13/15	20995	City of Hollister-Finance Dept	-341,861.14
07/13/15	20996	CM Analytical, Inc.	-3,740.00
07/13/15	20997	Corix Water Products	-13.74
07/13/15	20998	EBCO Pest Control	-55.00
07/13/15	20999	Employee Relations, Inc.	-121.85
07/13/15	21000	Hach Company	-80.94
07/13/15	21001	John Smith Road Landfill	-73.61
07/13/15	21002	Mc Master-Carr	-140.16

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
07/13/15	21003	NH3 Service Company	-1,029.25
07/13/15	21004	Recology San Benito County	-126.03
07/13/15	21005	San Benito County Water District	-281.25
07/13/15	21006	Stargazer Packaging	-440.45
07/13/15	21007	State Water Resources Control Board-DWOCP	-240.00
07/13/15	21008	Toro Petroleum Corp.	-1,311.96
07/13/15	21009	Trans Union LLC	-129.16
07/13/15	21010	U.S. Bank Corporate Payment Systems	-1,379.53
07/13/15	21011	USA BlueBook	-84.33
07/13/15	21012	City of Hollister-Finance Dept	-208.85
Total Disbursements			<u>-1,309,114.54</u>

Director Johnson asked about electronic payments #ACH 0713, ACH 0714, and ACH 0715, all payable to Merchant Services and totaling \$2,102.96. Finance & Human Resource Manager Cathy Buck explained that they are all fees for credit card transactions processed by the District. The three transactions listed are for May fees (in addition to what was charged last month for May) and June fees, which also included \$282.11 for an equipment upgrade needed to allow the added security feature “TransArmor” solution to work. There were other issues encountered in this upgrade that have been addressed with First Data, our credit card company, and resulted in a couple of small fee reversals. Ms. Buck believes that even though the total credit card transactions have increased in the past couple of months, the fees were higher in May and June due to First Data deducting the fees from us daily, rather than monthly, which has been corrected. She expects to see the total fees charged to go back down to a normal level of just under \$1,000 per month.

Director Johnson also asked about check #20944 for \$1,600.00 payable to First Trust Alarm Company. Ms. Buck explained that this payment includes the three normal monthly charges for fire alarm (at the District office and wastewater treatment plant) and security alarm services (at the District office), but also includes \$1,169 for annual fire extinguisher inspection services.

Director Johnson asked about two checks payable to CalPERS Retirement, check #20959 and #20960, which Ms. Buck explained are for employee withholding for service credit purchases and PEPPRA required withholding, which must be issued as separate checks since the accounting system won’t allow these amounts to be combined on one check.

Director Johnson asked about check #20969 payable to San Benito County Clerk, which is a recording fee for “The Villages” subdivision agreement that will be recovered from their deposit.

Director Johnson asked about check #21007 payable to the State Water Resources Control Board, which is for operator renewals for three employees.

Finally, Director Johnson asked about check #20994 payable to CalPERS Retirement for \$89,279, which Ms. Buck explained is for the required annual contribution toward the unfunded liability and is a prepayment for the year. CalPERS has changed how they bill each agency for the “unfunded liability” portion of the required payments, and separated it from our “normal cost” rate. Our FY 2015-16 amount is \$92,566, for which they sent the first month’s bill of \$7,714, and they offered a prepayment option of \$89,279 if we paid it by July 31, 2015, saving the District \$3,287, so we made the prepayment.

Upon motion made by Director Johnson, seconded by Director Alcorn, and carried unanimously (5-0), the consent agenda was approved as presented.

G. NEW BUSINESS:

1. CONSIDER ACCEPTANCE OF THE FAIRVIEW ROAD PIPELINE FROM SAN BENITO COUNTY WATER DISTRICT AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE TRANSFER AGREEMENT:

General Manager/Secretary Ridenhour explained that as part of the recent upgrade to the Lessalt Water Treatment Plant by San Benito County Water District (SBCWD), 4,000 lineal feet of 16" pipeline was installed in Fairview Road from the Lessalt Water Treatment Plant to the south and connecting to an existing Sunnyslope County Water District pipeline. This pipeline was always intended to become part of Sunnyslope's water distribution system, and since it was installed as part of a contract executed by SBCWD, the ownership of the pipeline needs to be formally transferred to Sunnyslope. The SBCWD Board authorized the execution of a transfer agreement between SBCWD and Sunnyslope on June 24, 2015.

General Manager/Secretary Ridenhour stated that this new pipeline has enabled Sunnyslope County Water District to deliver high quality surface water to the Ridgemark area and to the District's wastewater customers. Since the upgrade to the Lessalt Water Treatment Plant, installation of the 16" pipeline, and the District's efforts to inform our customers that they no longer need water softeners, the District has reduce wastewater discharge levels of sodium and chloride by 14% and 18% respectively. The District has also reduced Total Dissolved Solids enough to bring the District into compliance with State regulations. More effort will be required to reduce chloride and sodium levels to come into compliance with their State regulated limits.

Upon motion made by Director Alcorn, seconded by Director Villalon, the Board accepted the Fairview pipeline from San Benito County Water District and authorized the General Manager to execute the transfer agreement.

H. BOARD COMMITTEE and STATUS REPORTS

- 1. Governance Committee:** No meeting.
- 2. Water/Wastewater Committee:** No meeting. The next meeting is scheduled for July 30, 2015 at 3:30 p.m.
- 3. Finance Committee:** No meeting.
- 4. Policy and Procedure Committee:** No meeting. The next meeting is scheduled for August 11, 2015 at 5:00 p.m.
- 5. Personnel Committee:** No meeting.
- 6. Water Resources Association of San Benito County (WRA):** No meeting. The next meeting is scheduled for August 6, 2015 at 4:00 p.m.
- 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 has prepared her monthly written narrative report on the Operations Summary (thru June 30, 2015), Statement of Income (thru May 31, 2015), and Investment Summary (thru June 30, 2015).

Director Johnson asked about the increases in customers signed up for the automatic payment services. Ms. Buck explained that there are four different methods of automatic payment available to customers: In-house Auto-Pay (free), Web/online Auto-Pay (fees apply), In-house Recurring credit card-on the 16th day each month, and In-house

Recurring credit card – on the 17th day each month. The new deposit policy only allows the In-house Auto Pay (deducted from the customers checking account) as a method to reduce the required deposit for new accounts. This is definitely the driving force for the 167 increase year over year, accounting for a 78 customer increase. The Web/online Auto-Pay is also up 39 customers year over year. General Manager/Secretary Ridenhour noted that you can really see the customer conservation effort on Chart 2, which graphically shows water metered to customers over a 4-year period, by the June 2015 downturn.

The District's Investment Summary report reflects the total cash balance as of June 30, 2015 of \$8,823,505.75, which includes twelve-months earned interest totaling \$15,042.51. Ms. Buck noted that with the interest that was posted on July 15th by the Local Agency Investment Fund (LAIF) of \$3,074.57, not reflected in the totals above, our investment in LAIF is now over \$4M.

Water/Wastewater Superintendent Jim Filice reviewed the June 2015, Maintenance Staff Report, pointing out #16, which is about working with Kennedy/Jenks to request approval from the State Department of Drinking Water to modify our chlorine CT (contact time) calculation. He said we have had a couple of complaints about smelling the chlorine in the water and we will be able to reduce chlorine dosages and complaints with the with the revised CT calculation.

Director Hill asked about #10, working with Pumpworks (the supplier) to install middle zone pumps 1 & 2, then continue to trouble shoot the cause of failures. General Manager/Secretary Ridenhour responded that there has been a lot of finger pointing between vendors, but that it is still warranty work. One of the three pumps has had no issues.

Director Villalon asked about #1, regarding delivery of water conservation door hangers to all of our water customers. Mr. Ridenhour responded that when he had hoped it would be fully complete before today's meeting, but that there are still a few streets left to deliver to. The door hangers are just another method to ensure that the water conservation requirements are reaching all of our customers. Even though we have published it in the newspaper, on our website, inserted flyers with the bills, and added messages on the bill, customers still complain that they did not know about the drought measures we are asking customers to take. So, the door hanger is a final push to make sure that all of our customers are informed, since they could be subject to fines if they do not comply. The door hangers have generated quite a few phone calls.

Director Villalon asked about #5, regarding the update to the Emergency Response Plan O&M Manuals. Mr. Filice responded that the updates were routine, mainly to update addresses or phone numbers. He also noted that he and Pat Jackson go over the manual with all field personnel periodically, and have included the office staff in the past.

Review of the Meter Reading Report for the period May 18, 2015 to June 16, 2015, reflects the intertie meter data indicates the City received 19.5% of Lessalt water, while the District received 80.5%. Mr. Filice reported that it is about the same as usual.

Water/Wastewater Superintendent Jim Filice reviewed the groundwater level report and noted the water levels are continuing on the downward slant and the wells are dropping slightly due to the drought.

- 8. Active Tasks Update:** General Manager/Secretary Ridenhour noted that he forgot to include this in his written report, but wanted to update the Board on the state bill that could force water agencies to consolidate, noting that the bill did pass, but the language

was somewhat softened in the final version. He noted his fear is that this could impact the District in the future if small surrounding water systems get into trouble with water regulators and they look to Sunnyslope to take them over.

Mr. Ridenhour reported that we are working with the City and WRA staff to implement our water conservation regulations. Bob Marden has sent letters to our top 300 water users, is meeting with customers, and taking phone calls to answer questions.

The tank rehabilitation contractor has finished coating the Ridgemark tank, waiting for the paint to cure before re-filling, and is now working on sandblasting the interior of the Fairview tank.

The West Hills water treatment plant project bid opening has been extended by a couple of weeks, to July 29th, due to questions about the specifications that require HDR to prepare responses and disseminate the answers to all potential bidders. Director Alcorn asked if the District will have to accept the lowest bid, and Mr. Ridenhour responded that the requirement is that we (SBCWD, SSCWD, and the City) accept the lowest responsible bid. San Benito County Water District will make the decision, but with our and the City's input.

There is no progress on the potential cell tower lease with Verizon; we are still waiting on them.

Mr. Ridenhour reported that he prepared a letter and Jim Filice prepared a plan to address the District's chromium VI (6) issues for submittal to the Division of Drinking Water. The City has agreed not to operate the booster pump and not use the well at Nob Hill so that we will not get any of the City's water into our system. These locations will be locked out. The City is working on their plan, and it may accelerate the cross-town pipeline construction so that we can send more water to the City where they need it.

I. BOARD and STAFF REPORTS

- 1. Directors:** Director Villalon asked about a letter he received from a vendor from the last conference that was opened. Ms. Buck responded that it is standard District practice to open and date stamp all mail received. No one actually read the letter. Director Alcorn reported that he will miss the next board meeting and be out of the area from August 16th to the 21st.
- 2. District Counsel:** No report.
- 3. Finance and Human Resource Manager:** Ms. Buck reported that she will be on vacation for the next three weeks, returning to work on August 17th.
- 4. General Manager:** No report.

J. FUTURE AGENDA ITEMS: An update on the results of the West Hills WTP bid opening.

K. ADJOURNMENT: President Hill adjourned the meeting at 6:18 p.m.

APPROVED BY THE BOARD: s/ Kathleen A. Hill
Kathleen A. Hill, President

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