

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
March 13, 2013

A. CALL TO ORDER: The meeting was called to order at 5:18 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, and Danny Villalon.

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

D. APPROVAL OF AGENDA: Upon motion made by Director Hill, seconded by Director Johnson, and carried 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 from the public.

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

Others present: Brian Curtis with Stone Creek Properties and San Benito High School Students.

F. CONSENT AGENDA: Director Clapham requested that Item F. 4 be pulled from the Consent Agenda and discussed after new business. Upon motion made by Director Clapham, seconded by Director Villalon, and carried 5-0, the Board approved items F. 1 through F. 3 on the Consent Agenda.

1. Approval of Minutes —Regular Meeting of February 13, 2013.
2. Allowance of Claims – Ratify Disbursement Summary for the period February 7, 2013 through March 7, 2013 totaling \$1,240,174.17, which includes \$893,469.48 for employee compensation and payments to vendors, \$336,515.18 paid to the City of Hollister for payments collected on their customers sewer billings, and \$10,189.51 for customer refunds and deductions for checks returned for insufficient funds. The last check number written as of March 7, 2013 was check #18299.

Date	Num	Name	Amount
2/7/13	ACH 0418	RETURNED CHECK (Ret. Ck. 02-02)	-118.41
2/14/13	ACH0418	RETURNED CHECK (Ret. Ck. 02-03)	-140.00
2/15/13	ACH 0419	EFTPS	-366.40
2/28/13	ACH 0420	EFTPS	-22,428.74
2/20/13	ACH0422	RETURNED ACH (Ret. ACH 02-01)	-469.11
2/25/13	ACH0423	RETURNED CHECK (Ret. Ck. 02-04)	-159.12
2/25/13	ACH0424	RETURNED CHECK (Ret. Ck. 02-05)	-126.85
2/14/13	ACH0425	RETURNED ACH (FIS Ck Ret. 02-01)	-320.32
3/4/13	ACH 0427	Merchant Services	-475.07
2/15/13	DD 0771	Clapham, David G	-347.40
2/15/13	DD 0772	Johnson, John M	-429.75
2/15/13	DD 0773	Meraz, David E	-265.05

Date	Num	Name	Amount
2/15/13	DD 0774	Villalon, Daniel	-159.70
2/28/13	DD 0775	Alvarez, Abel	-4,277.75
2/28/13	DD 0776	Brill, Kelly L.	-4,362.73
2/28/13	DD 0777	Buck, Cathy L.	-6,687.60
2/28/13	DD 0778	Castro, Kevin G.	-3,205.33
2/28/13	DD 0779	Chavez, Jr., Manuel T.	-5,831.17
2/28/13	DD 0780	Eclarin, Ernesto P.	-4,221.16
2/28/13	DD 0781	Estrada, Thomas A.	-4,260.60
2/28/13	DD 0782	Filice, James L.	-7,026.63
2/28/13	DD 0783	Girouard, Kenneth R.	-6,468.33
2/28/13	DD 0784	Hagins, Patrick M.	-4,479.42
2/28/13	DD 0785	Imperatrice, Patrick L.	-5,921.29
2/28/13	DD 0786	Jackson, Patrick W.	-6,577.55
2/28/13	DD 0787	Malko, Kim A.	-2,457.81
2/28/13	DD 0788	Norman, III, Walter R.	-5,103.95
2/28/13	DD 0789	Padilla, David	-5,369.54
2/28/13	DD 0790	Porteur, Carol A.	-3,841.92
2/28/13	DD 0791	Ridenhour, Donald G	-9,622.16
2/28/13	DD 0792	Watson, Scott A.	-4,952.62
2/28/13	DD 0793	Zavala, Anabel G.	-4,072.92
2/28/13	DD 0794	Jackson, Norma	-255.43
2/11/13	18214	JOANNA HOOKS	-40.83
2/11/13	18215	KEVIN MCMILLIN	-14.46
2/11/13	18216	MICHAEL MIRALLES	-32.33
2/11/13	18217	JOSE RODRIGUEZ	-21.63
2/11/13	18218	BARBARA VANDAL	-18.80
2/11/13	18219	JOE WHITE	-52.59
2/11/13	18220	J & K INVESTMENTS	-116.55
2/11/13	18221	B S K Analytical Laboratories, Inc.	-321.00
2/11/13	18222	CM Analytical, Inc.	-9,262.50
2/11/13	18223	Electrical Distributors Co.	-91.28
2/11/13	18224	Postal Graphics (was Post Net)	-11.40
2/11/13	18225	San Benito County-Admin Office	-13,000.00
2/11/13	18226	San Benito County Water District	-165.50
2/11/13	18227	Toro Petroleum Corp.	-1,420.28
2/15/13	18228	Hill, Kathleen A	-369.40
2/19/13	18229	Hagins, Patrick M.	-119.48
2/19/13	18230	Filice, James L.	-108.61
2/19/13	18231	A-1 Services	-373.00
2/19/13	18232	ACWA/JPIA	-45.00
2/19/13	18233	All Star Ready Mix, LLC	-389.56
2/19/13	18234	Anderson Pacific Engineering Constr, Inc.	-495,021.44
2/19/13	18235	Auto Tech Service Center, Inc.	-343.29
2/19/13	18236	Bianchi Kasavan & Pope, LLP	-1,806.00
2/19/13	18237	Calcon System, Inc.	-10,029.69
2/19/13	18238	California Clean Energy LLC	-2,392.64
2/19/13	18239	City of Hollister-Finance Dept	-336,515.18
2/19/13	18240	Consolidated Engineering Laboratories	-378.53
2/19/13	18241	Everbank Commercial Finance, Inc.	-226.87
2/19/13	18242	Hollister-Sunnyslope W. T. A.	-41,495.06
2/19/13	18243	Monterey Bay Systems	-178.05
2/19/13	18244	NH3 Service Company	-636.94
2/19/13	18245	OnTrac	-23.52
2/19/13	18246	PAX Water Technologies	-1,106.00
2/19/13	18247	Raftelis Financial Consultants, Inc.	-7,695.00
2/20/13	18248	TOM NINO	-7,922.87
2/25/13	18249	JANET MARQUEZ	-112.46
2/25/13	18250	REALTY MARKETING GROUP	-150.00
2/25/13	18251	VANESSA SANTIBANEZ	-59.20
2/25/13	18252	EBCO Pest Control	-55.00
2/25/13	18253	Hach Company	-532.60
2/25/13	18254	McGilloway, Ray, Brown & Kaufman	-1,450.00

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
2/25/13	18255	Postmaster	-203.51
2/25/13	18256	Razzolink.com	-99.95
2/25/13	18257	San Benito County-Elections Dept.	-400.00
2/25/13	18258	Stargazer Packaging	-236.74
2/25/13	18259	Toro Petroleum Corp.	-1,601.97
2/28/13	18260	Employment Dev. Dept. (EDD) DE88 Pmts.	-8,813.55
2/28/13	18261	CalPERS - Retirement	-2,623.18
2/28/13	18262	Nationwide Retirements Solutions	-14,646.06
2/28/13	18263	San Benito County Sheriff's Office	-1,154.15
2/28/13	18264	BAC (Beneficial Administration Company)	-353.57
2/28/13	18265	CalPERS - Health Insurance	-13,737.85
2/28/13	18266	CalPERS - Retirement	-40,963.96
2/28/13	18267	Fort Dearborn Life Insurance Co.	-304.00
2/28/13	18268	Premier Access Insurance Co.	-3,325.10
2/28/13	18269	Petty Cash	-41.51
2/28/13	18270	Postmaster	-1,826.37
3/4/13	18271	Porteur, Carol A.	-139.59
3/4/13	18272	Ace Hardware (Johnson Lumber Co.)	-104.88
3/4/13	18273	AT&T	-262.00
3/4/13	18274	Auto Tech Service Center, Inc.	-499.35
3/4/13	18275	Brigantino Irrigation	-46.60
3/4/13	18276	CM Analytical, Inc.	-2,172.50
3/4/13	18277	De Lay & Laredo	-2,799.00
3/4/13	18278	Everbank Commercial Finance, Inc.	-224.60
3/4/13	18279	Gabilan Welding, Inc.	-34.94
3/4/13	18280	Greenwood Chevrolet	-51.71
3/4/13	18281	Mid Valley Supply	-182.84
3/4/13	18282	Mission Uniform Service	-586.75
3/4/13	18283	O'Reilly Auto Parts	-5.95
3/4/13	18284	Palace Art & Office Supply	-791.42
3/4/13	18285	Radio Shack (Crystal T.V.)	-10.84
3/4/13	18286	RMC Water and Environment	-10,297.58
3/4/13	18287	San Benito County Water District	-71,583.87
3/4/13	18288	Staples Advantage	-271.14
3/4/13	18289	Verizon Wireless	-349.70
3/4/13	18290	Wright Bros. Indust. Supply	-57.09
3/4/13	18291	WILLIAM & NICOLE DYE	-13.87
3/4/13	18292	HOLLY & EVERETT GRABEEL	-47.14
3/4/13	18293	PAUL & CLAIRE GRISSOM	-5.87
3/4/13	18294	DENNIS R WEST	-50.02
3/4/13	18295	DAVID BENDER	-44.57
3/4/13	18296	RICK SPALDING	-82.83
3/4/13	18297	KEVIN MCMILLIN	-23.81
3/4/13	18298	RAM PROPERTY MGMT.	-45.87
3/4/13	18299	Castro, Kevin G.	-150.00
Total Disbursements			<u>-1,240,174.17</u>

3. Consider Approval of the Ridgemark Wastewater Treatment and Recycled Water Improvements Project Progress Payment Request by Anderson Pacific for \$215,707.75.
4. ~~Consider Approval and Authorize Filing a Notice of Completion for the Walnut Park 13 – Unit 1 Subdivision.~~ PULLED FOR DISCUSSION AFTER ITEM G.3 BELOW

G. NEW BUSINESS:

- 1. CONSIDER AUTHORIZING AN AGREEMENT FOR WATER FACILITIES AND SERVICE FOR 22 SINGLE FAMILY RESIDENTIAL LOTS IN WALNUT PARK 13 – UNIT 2:** Engineer Girouard explained that the developer of Walnut Park 13, Unit 2, has requested water service for 22 single family residential units. The development was approved by the Board last year for the construction of Walnut Park 13,

Unit 1. Mr. Girouard stated that the District has water production capacity to provide water service to this proposed development; and sewer service would be provided by the City of Hollister, if the City approves the project.

Engineer Girouard stated that the Planning Commission of the City of Hollister approved Resolution 2010-12 certifying the CEQA findings:

- 1) That mitigation measures for the Mitigated Negative Declaration TM 2009-03 are incorporated into the conditions of approval for the project; and
- 2) That the Mitigated Negative Declaration has been completed in compliance with the California Environmental Quality Act (“CEQA”) and the state CEQA Guidelines, and the final Mitigated Negative Declaration reflects the City of Hollister Planning Commission’s independent judgment and analysis.

Director Villalon commented that on page 9, number 22 “Special Terms” of the agreement, the word designers was incorrectly spelled as “desigers”. Engineer Girouard responded that it would be corrected.

Director Hill inquired about who enforces the mandatory conservation measures on water waste. General Manager/Secretary Ridenhour responded that Sunnyslope County Water District, City of Hollister, and San Benito County Water District all work with Shawn Novack with the Water Resources Association, who helps customers with conservation measures, but ultimately it is up to the District to enforce and follow the guidelines as well as absorb the expense.

Upon motion made by Director Villalon, seconded by Director Clapham, and unanimously carried 5-0, the Board approved authorizing an agreement for water facilities and service for 22 single family residential lots in Walnut Park 13 – Unit 2.

- 2. CONSIDER AUTHORIZING AN AGREEMENT FOR WATER FACILITIES AND SERVICE FOR 8 SINGLE FAMILY RESIDENTIAL LOTS IN CREEKSIDE 5 DEVELOPMENT:** Engineer Girouard stated that the developer of Creekside 5 has requested water service for 8 single family residential units. Sunnyslope County Water District has water production capacity to provide water service to this proposed development; and the sewer service would be provided by the City of Hollister, if the City approves the project.

Engineer Girouard stated that an initial study and Mitigated Negative Declaration was prepared for this project. The initial study was circulated for comment during the County of San Benito public review period from March 21, 2011 through April 11, 2011. The project mitigation measures were reviewed and agreed to by the Developer and were made conditions of approval by the County of San Benito Planning Department.

Mr. Girouard explained that on April 20, 2011 the County of San Benito Planning Commission held a public hearing. The following CEQA findings were discussed.

Finding 1: That the Initial Study for TSM 08-80 and ZC 08-163 has been prepared in compliance with the provisions of the California Environmental Quality Act, the State CEQA Guideline, and the San Benito County Implementing Procedures for the California Environmental Quality Act.

Finding 2: That the Planning Commission had considered the Mitigated Negative Declaration together with all comments received from the public review process.

Mitigated Negative Declaration Adoption:

The meeting was continued to May 18, 2011. On May 18, 2011 the San Benito County Planning Commission adopted Resolution No. 2011-03 and TSM 08-90 confirming the adoption of a Mitigated Negative Declaration with Mitigation Measures.

Upon motion made by Director Villalon, seconded by Director Johnson, and unanimously carried 5-0, the Board approved authorizing an agreement for water facilities and service for 8 single family residential lots in Creekside 5 development.

- 3. CONSIDER APPROVAL OF A LETTER OF INTENT TO SERVE THE SANTANA RANCH DEVELOPMENT:** Engineer Girouard explained that the District has received a request for water service from Santana Ranch for their project which is located east of Fairview Road near Hillcrest and Sunnyslope Roads, and is within the District's service area.

Engineer Girouard explained that on September 15, 2010, the Board of Supervisors of San Benito County approved Resolution 2010-10 certifying the CEQA findings:

- 1) Certifying an Environmental Impact Report that evaluates the impacts of development under the Santana Ranch project, prepared pursuant to the California Environmental Quality Act and the CEQA Guidelines;
- 2) Adopt the findings required by CEQA;
- 3) Adopt the mitigation measures to reduce any significant environmental impacts were feasible, as recommended in the EIR;
- 4) Adopt a Mitigation Monitoring and Reporting Plan; and
- 5) Adopt a Statement of Overriding Considerations.

Mr. Girouard explained that on December 10, 2009, the Board approved and adopted the Water Supply Assessment plan for Santana Ranch and that Sunnyslope County Water District (SSCWD) has the water capacity to provide water service for Santana Ranch on a first-come, first-served basis. Engineer Girouard stated that staff is recommending that the Board direct the General Manager to enter into negotiations with Santana Ranch to draft an agreement and a "Will Serve" letter for the first phase of the construction, which is expected to start in the calendar year 2013, for approximately 130 single family residences in the vicinity of the Lessalt Surface Water Treatment Plant. Director Villalon asked what the first-come, first-served basis covered, and Engineer Girouard responded that the District could commit to providing water for the first phase of the project for approximately 130 homes, but would not be able to commit to over 1,000 homes if other developments requested water for homes built prior to the completion of Santana Ranch project.

Engineer Girouard stated that the agreement between SSCWD and Santana Ranch will involve negotiations of the construction of various facilities including the high pressure pipeline connecting the high zone to Lessalt, Santana Ranch, and the Ridgemark area. The agreement will also involve negotiations between Santana Ranch and SSCWD to replace the existing 50 year old 12" diameter main connecting Lessalt to the Fairview potable water tanks owned by Sunnyslope and the City of Hollister.

President Meraz asked if Santana Ranch is the same as Anderson Homes and Brian Curtis of Stonecreek Properties explained that it is a partnership between Anderson Homes and the Guerra Family. Mr. Curtis explained that the first phase would consist of the 130 homes and as the project progressed into the other phases, a K-8 school would be built in the project as well.

President Meraz asked if the Santana Ranch project was considered in the Hollister Urban Area Water & Wastewater Master Plan (HUAWWMP) and General Manager/Secretary Ridenhour responded that this specific project was not, but some minor growth was anticipated and there is available surface water capacity for this first phase of development that would cover this project and groundwater could be used if necessary.

Upon motion made by Director Clapham, seconded by Director Hill, and unanimously carried 5-0, the Board approved a letter of intent to serve the Santana Ranch Development.

F. 4. The following item was pulled from the Consent Agenda for further discussion:

CONSIDER APPROVAL AND AUTHORIZE FILING A NOTICE OF COMPLETION FOR THE WALNUT PARK 13 – UNIT 1 SUBDIVISION:

Engineer Girouard explained that the developer of Walnut Park 13, Unit 1, has completed the construction of the potable water improvements for the 20 single-family residential units as specified in the agreement that was signed by the developer and Sunnyslope County Water District in February 2012. The developer filed the final map for the subdivision on February 10, 2012, and the map dedicated the water utility easements to public utilities, which includes Sunnyslope County Water District (SSCWD).

Mr. Girouard stated that staff is seeking approval for a Notice of Completion for the Walnut Park 13, Unit 1 since the potable water improvements have been completed in accordance with SSCWD's standards.

Director Clapham explained that he would like to see more information regarding discussions on projects from prior meetings, in staff reports requiring approval.

Upon motion made by Director Hill, seconded by Director Villalon, and unanimously carried 5-0, the Board approved authorizing filing a Notice of Completion for the Walnut Park 13 – Unit 1 subdivision.

H. BOARD AND STAFF COMMITTEE STATUS REPORTS:

- 1. Governance Committee:** General Manager/Secretary Ridenhour reported that the meeting scheduled for next week was canceled. He stated that City Council members from the City of Hollister, Board of Directors from San Benito County Water District and Sunnyslope County Water District, and Board of Supervisors members from the County of San Benito attended a presentation and facilities tour related to the projects for the Hollister Urban Area Water and Wastewater Program last month.
- 2. Water/Wastewater Committee:** General Manager/Secretary Ridenhour reported on the following items from his Active Tasks Update that were discussed in committee. Mr. Ridenhour reported that Raftelis Financial Consultants are waiting on updated capital and O&M costs for West Hills WTP (WH) to finalize their model; they are behind schedule waiting on WH cost estimate updates and environment costs. Water quality of San Justo Reservoir water is a concern and slowing cost estimates for the new WH water treatment plant. An update on HUAWWMP, schedule has been modified with Lessalt WTP construction, beginning in July and complete in May 2014; the WH schedule is a concern due to environmental mitigation; and overall schedule delays due to financing, environmental mitigation, and interagency negotiations. Mr. Ridenhour reported that the attorneys are reviewing the agreement and some financing terms are being further negotiated. Terms of the operations agreement are complete and San Benito County Water District's attorney is preparing a near final draft that will be forwarded to the

District's attorneys for review once the draft is in a more complete form.

3. **Finance Committee:** President Meraz reported no meeting was held.
4. **Policy and Procedure Committee:** General Manager/Secretary Ridenhour reported that the February and March 19th meetings have been postponed and they will resume in April.
5. **Personnel Committee:** President Meraz reported that the committee met on February 20th and went over several items which are ongoing. General Manager/Secretary Ridenhour added that he will be scheduling another meeting in the next couple of weeks.
6. **Water Resources Association of San Benito County:** Director Johnson reported they met on March 7th and reviewed the 2013 budget.
7. **Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** Engineer Girouard reported he will be bringing some minor change orders to the Water and Wastewater Committee and then to the Board in April if desired by the Committee.
8. **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 February 28, 2013), Statement of Income (for January 31, 2013), and Investment Summary (for February 28, 2013), Director Villalon asked if the lower water sales and higher sewer sales was due to good conservation and Ms. Buck responded it could be in part, but the weather also plays a large role in how much water is used.

The District's Investment Summary report reflects the total cash balance as of February 28, 2013 of \$4,072,394.10, which includes eight months earned interest totaling \$3,928.21. Cathy Buck reported that in the past six months or so, money has been transferred from the checking account to the CD's, but the checking account is still maintaining a decent balance.

The Board reviewed the Hollister-Sunnyslope Water Treatment Agency's Investment Summary ending February 28, 2013, which reflects a cash balance total of \$1,228,314.75, which includes \$5,677.93 fiscal year-to-date (twelve month's) interest earned.

The Board reviewed Hollister-Sunnyslope Water Treatment Agency's Disbursement Summary, for the period of February 7, 2013 to March 7, 2013 totaling \$104,500.47.

Jim Filice reviewed the February 2013 Maintenance Staff Report and reported that Well #11 is back on line after installing a new pump and motor. He reported that the installation of the new modules at the Lessalt Water Treatment Plant is complete and the plant is running at 1.8 million gallons per day (mgd) while the cleaning process is going on and once that is complete they will raise to 2 mgd. Mr. Filice added that the major integrity testing is better now than when the plant was brand new. Director Villalon inquired about #1, complete review of City of Hollister Water & Wastewater Specification Manual, if that was because we will be working with the City and Mr. Filice responded that we like to stay updated with them, and we do use the same basic guidelines that they use.

During review of the Meter Reading Report for the period January 14, 2013 to February

13, 2013, Jim Filice noted the intertie meter data indicates the City received 22.0% of Lessalt water, while the District received 78.0%. Mr. Filice reported that the water owed to Sunnyslope from the City continues to go down. He also reported that as of the end of the fiscal year, the City has received has received 33.6% of surface water and Sunnyslope has received 66.4%.

Jim Filice reviewed the groundwater level report and noted that well levels are trending upward.

9. In his Active Tasks update, General Manager/Secretary Ridenhour reported that the District's legal counsel has mailed a response to the Lompa Bankruptcy Attorney on the Well #8 property and have not heard back from them yet. Mr. Ridenhour stated that he and Engineer Girouard will continue to meet with potential developers and with project representatives that have existing vacant lots that they intend to move forward with construction.

I. BOARD AND STAFF REPORTS

1. **Directors:** President Meraz brought up the fact that the weather was warming up and customers were going to be turning on sprinklers and was concerned how that might affect the Sunnyslope sewer customers sewer multiplier. Ms. Buck responded that the time period for the calculation has ended so there should not be a problem.
2. **District Counsel:** No report.
3. **District Engineer:** No report.
4. **Finance-HR Manager:** Cathy Buck reported that our processing Credit Card Company has required us to upgrade our credit card machine due to some changes. She stated that the office staff has been asking to upgrade the system so that credit card transactions can be processed directly from the computers at their desks. On the 20th of the month, our heaviest volume day for credit card transactions, credit card transactions get backed up since there is only one credit card machine at the front counter. Ms. Buck has received a quote of a onetime fee of \$99 and \$19.95 monthly service fee adding credit card processing to each computer, so management has decided to proceed with that new feature that will simplify and save staff time.
5. **General Manager:** General Manager/Secretary Ridenhour reported that he has given each Director an information sheet for the ACWA Spring Conference that will be taking place in May so they can decide if anyone would like to attend.

J. FUTURE AGENDA ITEMS: Future agenda items include: ACWA Spring Conference for Board of Directors.

K. ADJOURN: Upon motion made by Director Hill, seconded by Director Johnson, and unanimously carried 5-0, the meeting was adjourned at 6:12 p.m.

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

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