

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

- A. CALL TO ORDER:** The 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.
- B. ROLL CALL: Present:** President Dave Meraz; Directors Dave Clapham, and Danny Villalon. **Absent:** Director John Johnson, Director Kathleen Hill (arrived at 5:18 p.m.).
- C. PLEDGE OF ALLEGIANCE:** President Meraz led Directors, staff, and public in the Pledge of Allegiance.

Director Hill arrived at 5:18 p.m.

- D. APPROVAL OF AGENDA:** Upon motion made by Director Villalon, seconded by Director Clapham, and carried 4-0 (Director Johnson absent), 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 on the agenda; there were no comments from the public.

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

Others present: Shawn Novack, Program Manager for the Water Resources Association, Harry Blohm, Management Consultant for the Governance Committee (arrived after agenda item G.1. at 5:25 p.m.), and Loretta McDermott.

- F. CONSENT AGENDA:** Director Villalon commented that the ACWA Regions 3 & 5 Joint Program & Tour in Jackson, CA, that the Board approved Directors Villalon and Clapham to attend at the April 10th meeting (Item J.6.), was cancelled due to lack of participation from Region 3.

President Meraz asked about check #18424 and check #18470, both payable to Al's Septic Tank Service Inc., and Jim Filice responded that they were for cleaning out eight manholes on Paullus Drive and three lift stations.

Upon motion made by Director Hill, seconded by Director Clapham, and carried 4-0 (Director Johnson absent), the Board approved the Consent Agenda.

1. Approval of Minutes – of the Regular Meeting on April 10, 2013.
2. Allowance of Claims – Ratify disbursements for the period April 9 through May 6, 2013 totaling \$857,128.67, which includes \$519,409.46 for employee compensation and payments to vendors, \$335,757.21 paid to the City of Hollister for payments collected on their customer's sewer billings, and \$1,962.00 for customer refunds and deductions for checks returned for insufficient funds. The last check written as of May 6, 2013 was check #18491.

Date	Num	Name	Amount
4/15/13	ACH 0437	EFTPS	-194.00
4/30/13	ACH 0438	EFTPS	-22,704.70
4/19/13	ACH 0439	RETURNED CHECK (Ret. Ck 04-01)	-152.00
4/23/13	ACH 0440	RETURNED CHECK (Ret. Ck 04-02)	-149.18
4/24/13	ACH 0441	RETURNED CHECK (Ret. Ck 04-03 to 04-04)	-458.85
4/29/13	ACH 0442	RETURNED CHECK (Ret. Ck 04-05)	-69.88
5/3/13	ACH 0443	Merchant Services	-516.34
4/15/13	DD 0819	Clapham, David G	-265.05
4/15/13	DD 0820	Johnson, John M	-182.70
4/15/13	DD 0821	Meraz, David E	-182.70
4/15/13	DD 0822	Villalon, Daniel	-159.70
4/30/13	DD 0823	Alvarez, Abel	-4,484.47
4/30/13	DD 0824	Brill, Kelly L.	-4,338.11
4/30/13	DD 0825	Buck, Cathy L.	-6,687.60
4/30/13	DD 0826	Castro, Kevin G.	-3,527.56
4/30/13	DD 0827	Chavez, Jr., Manuel T.	-5,766.04
4/30/13	DD 0828	Eclarin, Ernesto P.	-4,224.81
4/30/13	DD 0829	Estrada, Thomas A.	-4,260.61
4/30/13	DD 0830	Filice, James L.	-6,896.28
4/30/13	DD 0831	Girouard, Kenneth R.	-6,441.34
4/30/13	DD 0832	Hagins, Patrick M.	-4,481.61
4/30/13	DD 0833	Imperatrice, Patrick L.	-5,921.16
4/30/13	DD 0834	Jackson, Patrick W.	-6,743.74
4/30/13	DD 0835	Malko, Kim A.	-2,421.65
4/30/13	DD 0836	Norman, III, Walter R.	-4,980.53
4/30/13	DD 0837	Padilla, David	-4,844.79
4/30/13	DD 0838	Porteur, Carol A.	-3,849.52
4/30/13	DD 0839	Ridenhour, Donald G	-9,622.16
4/30/13	DD 0840	Watson, Scott A.	-4,863.94
4/30/13	DD 0841	Zavala, Anabel G.	-4,063.79
4/30/13	DD 0842	Jackson, Norma	-255.43
4/15/13	18398	Hill, Kathleen A	-92.35
4/15/13	18399	All Star Ready Mix, LLC	-1,285.59
4/15/13	18400	Bianchi Kasavan & Pope, LLP	-661.06
4/15/13	18401	City of Hollister-Finance Dept	-25,365.39
4/15/13	18402	CM Analytical, Inc.	-2,795.00
4/15/13	18403	Everbank Commercial Finance, Inc.	-226.87
4/15/13	18404	Hollister-Sunnyslope W. T. A.	-47,593.94
4/15/13	18405	Monterey Bay Systems	-1,106.97
4/15/13	18406	OnTrac	-37.41
4/15/13	18407	Stargazer Packaging	-394.57
4/15/13	18408	Toro Petroleum Corp.	-5,209.64
4/22/13	18409	A-1 Services	-352.41
4/22/13	18410	Anderson Pacific Engineering Constr, Inc.	-143,611.50
4/22/13	18411	B S K Analytical Laboratories, Inc.	-276.00
4/22/13	18412	B.W.S. Distributors, Inc.	-107.04
4/22/13	18413	Calcon System, Inc.	-6,555.00
4/22/13	18414	CM Analytical, Inc.	-2,032.50
4/22/13	18415	EBCO Pest Control	-55.00
4/22/13	18416	Postal Graphics (was Post Net)	-40.47
4/22/13	18417	Radio Shack (Crystal T.V.)	-12.97
4/22/13	18418	Sierra Chemical Co.	-1,131.76
4/22/13	18419	Toro Petroleum Corp.	-1,475.69
4/22/13	18420	City of Hollister-Finance Dept	-335,757.21
4/23/13	18421	Postmaster	-218.35
4/24/13	18422	San Benito County Clerk	-117.00
4/25/13	18423	HOLLY CORNETTO	-260.08
4/29/13	18424	AL's Septic Tank Service Inc.	-750.00
4/29/13	18425	AT&T	-242.28
4/29/13	18426	Corix Water Products	-111.11
4/29/13	18427	De Lay & Laredo	-4,232.50
4/29/13	18428	Hollister Auto Parts, Inc.	-57.32

Date	Num	Name	Amount
4/29/13	18429	Kennedy/Jenks Consultants	-11,426.25
4/29/13	18430	Maine Society of CPA's	-230.00
4/29/13	18431	Mid Valley Supply	-314.11
4/29/13	18432	O'Reilly Auto Parts	-41.87
4/29/13	18433	P G & E	-14,659.13
4/29/13	18434	Palace Art & Office Supply	-521.13
4/29/13	18435	Penninsula Communications	-754.13
4/29/13	18436	Quinn Company	-322.50
4/29/13	18437	Raftelis Financial Consultants, Inc.	-8,497.50
4/29/13	18438	Razzolink.com	-99.95
4/29/13	18439	San Benito Tire, Inc.	-734.89
4/29/13	18440	Staples Advantage	-152.87
4/29/13	18441	Verizon Wireless	-349.55
4/29/13	18442	Wright Bros. Indust. Supply	-58.84
4/29/13	18443	Wright Bros. Welding & Sheet Metal, Inc.	-289.84
4/30/13	18444	Employment Dev. Dept. (EDD) DE88 Prmts.	-8,779.05
4/30/13	18445	CalPERS - Retirement	-2,623.18
4/30/13	18446	Nationwide Retirements Solutions	-14,758.80
4/30/13	18447	San Benito County Sheriff's Office	-1,259.86
4/30/13	18448	BAC (Beneficial Administration Company)	-353.57
4/30/13	18449	CalPERS - Health Insurance	-13,737.85
4/30/13	18450	CalPERS - Retirement	-41,014.45
4/30/13	18451	Fort Dearborn Life Insurance Co.	-304.00
4/30/13	18452	Premier Access Insurance Co.	-3,422.28
4/30/13	18453	Postmaster	-1,821.06
5/1/13	18454	Postmaster	-30.00
5/6/13	18455	DANIEL & SYLVIA AYALA	-77.32
5/6/13	18456	ANGELA GRAHAM & JEFF BRANDON	-66.81
5/6/13	18457	GUY & PATRICIA DEJONG	-16.65
5/6/13	18458	DINAH DI BERNARDO	-9.18
5/6/13	18459	DEREK DWIGHT	-271.17
5/6/13	18460	RAMIEN EBADYPOUR	-38.70
5/6/13	18461	MARY ANNE FILICE	-13.89
5/6/13	18462	GONZALO FLORES	-77.89
5/6/13	18463	MELISSA GOULART AND LORENA TEXEIRA	-45.18
5/6/13	18464	STEPHEN JOHNS	-14.46
5/6/13	18465	ALMA KENNEDY	-100.00
5/6/13	18466	LINDA JACQUES & DESERIE MIRELES	-82.52
5/6/13	18467	RAY RODRIGUEZ	-51.18
5/6/13	18468	WILLIAM STEWART	-7.06
5/6/13	18469	Ace Hardware (Johnson Lumber Co.)	-572.69
5/6/13	18470	AL's Septic Tank Service Inc.	-1,240.00
5/6/13	18471	B S K Analytical Laboratories, Inc.	-48.00
5/6/13	18472	Brigantino Irrigation	-110.35
5/6/13	18473	CM Analytical, Inc.	-11,975.00
5/6/13	18474	Consolidated Engineering Laboratories	-984.17
5/6/13	18475	Electrical Distributors Co.	-114.54
5/6/13	18476	Everbank Commercial Finance, Inc.	-224.60
5/6/13	18477	FedEx Freight	-17.46
5/6/13	18478	Mission Uniform Service	-715.35
5/6/13	18479	Palace Art & Office Supply	-107.62
5/6/13	18480	Petty Cash	-14.58
5/6/13	18481	Recology San Benito County	-121.98
5/6/13	18482	RMC Water and Environment	-1,799.83
5/6/13	18483	San Benito County Clerk	-21.00
5/6/13	18484	San Benito County Water District	-297.75
5/6/13	18485	Shape, Inc.	-692.43
5/6/13	18486	Sierra Chemical Co.	-293.07
5/6/13	18487	South Valley Internet, Inc.	-17.95
5/6/13	18488	Stargazer Packaging	-394.57
5/6/13	18489	VOID	0.00
5/6/13	18490	Wright Bros. Welding & Sheet Metal, Inc.	-63.56

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
5/6/13	18491	U.S. Bank Corporate Payment Systems	-3,998.28
Total Disbursements			-857,128.67

3. Approval of the Ridgemark Wastewater Treatment and Recycled Water Improvements Project Progress Payment Request by Anderson Pacific for Invoice 108-22 dated April 30, 2013 for \$160,763.44.

G. NEW BUSINESS:

1. **CONSIDER PROCLAIMING THE MONTH OF MAY WATER AWARENESS MONTH:** General Manager/Secretary Ridenhour introduced Shawn Novack from the Water Resources Association (WRA). Mr. Novack stated that May has been water awareness month for the past twenty-five years, and this begins the season of increased water use due to outdoor irrigation starting up. Mr. Novack explained that he places special ads in the Hollister Free Lance Newspaper, displays a large banner across San Benito Street, has a booth at the Farmer’s Market, makes rounds with member agencies, and even reaches out to Aromas Water District and the County Board of Supervisors, as well as Tres Pinos Water District. Mr. Novack read aloud the Proclamation, which encourages water conservation measures.

Director Villalon inquired about the section of the Proclamation on reducing home water use and wastewater production by repairing leaks, by asking whether the numbers of calls remain about the same or if there were more or less. Mr. Novack responded that they encourage customers to call every couple of years, but as far as the survey, the agency has seen a drop off with washing machine rebates and toilet exchange. He added that there have been about 540 water softener replacements, with 10 last month. Director Villalon asked if once the high zone pipeline was installed, if the WRA would be using the same practices for the water conservation. Mr. Novack responded that they would.

Upon motion made by Director Villalon, seconded by Director Hill, and carried 4-0 (Director Johnson absent) the Board approved proclaiming the month of May “Water Awareness Month”.

2. **CONSIDER AUTHORIZATION OF AN AMENDMENT TO THE SCOPE OF WORK OF AN AGREEMENT WITH KENNEDY/JENKS CONSULTANTS TO ADD WATER QUALITY INVESTIGATION AND CONSTRUCTIBILITY ANALYSIS OF THE LESSALT WATER TREATMENT PLANT UPGRADE FOR AN AMOUNT NOT TO EXCEED \$15,000:** General Manager/Secretary Ridenhour explained that in March of 2010, the Board authorized a contract with Kennedy/Jenks Consultants for evaluating the hydraulic improvement needs for the Lessalt Water Treatment Plant and for the design of the Fairview Road Pipeline and Pump Station. The original contract was for an amount not to exceed \$245,600, with \$67,600 of the contract to be paid for by the City of Hollister. It is anticipated that there will be approximately \$80,000 unspent on that original contract when the remaining approved tasks are completed. The managers from the City and Sunnyslope have identified two additional tasks that are necessary. The first task is to add Kennedy/Jenks to a water quality task force with HDR Consultants and staff from the City, San Benito County Water District, and Sunnyslope to review additional options for treating San Justo Reservoir water. The second task involves beginning the construction management phase of the Lessalt Water Treatment Plant and Fairview Road Pipeline work by getting the construction inspection team involved in reviewing the plans and specifications during the bidding phase of the work.

Secretary Ridenhour went on to explain that the proposed West Hills Water Treatment Plant will receive water from San Justo on a regular basis and the Lessalt Water Treatment Plant will receive this water occasionally each year. The managers from the three agencies are proposing to form a water quality review team including HDR, Kennedy/Jenks, and staff from each agency to review treatment options for the two water treatment plants to handle the range of raw water qualities that can be expected from San Justo Reservoir. The current Lessalt Upgrade has been designed with additional pre-treatment capability. The West Hills Water Treatment Plant will receive water from San Justo on a regular basis, so it is critical to identify the most cost efficient and effective treatment process for this water source. The cost of these services is anticipated to be approximately \$5,000.

He explained the second proposed task involves adding plan and construction document review of the Lessalt Water Treatment Plant (LWTP) plans and specifications. The construction management team for the construction of the LWTP is not yet in place, but it is anticipated that Dahl Consultants, working in partnership with Kennedy/Jenks as the design engineer, will be part of the construction team. It is anticipated that SBCWD will be contracting with Kennedy/Jenks and Dahl Consultants for these services once the Water Supply and Treatment Agreement is approved. This would allow Dahl Consultants to begin the constructability review as part of the team now, before the project is put out to bid. Their independent review is essential to ensure the bid documents appropriately protect the three agencies. The cost for these services is anticipated to be approximately \$10,000.

Secretary Ridenhour finished by saying the total costs for these revisions are approximately \$15,000 and will be shared equally between the City and Sunnyslope. It is anticipated that these costs will be included in the financing being provided by SBCWD and will be included in the Hollister Urban Area Water Project financing once the Water Supply and Treatment Agreement is approved.

Director Clapham stated that it his understanding that the blue valve water from San Benito County Water District is good quality water when it gets pumped into San Justo Reservoir, and once the water gets there other issues arise and the water needs additional treatment. Director Clapham suggested the possibility of by-passing the reservoir and sending it directly to a holding facility to avoid some of the problems. Harry Blohm answered by saying that this possibility has been discussed, but a downside is that it would require more permits, more negotiations, and more delays with the Bureau of Reclamation. Mr. Blohm stated that water specialists have said this is not an unusual system and there are treatment options that are available which are not that expensive and are very robust. Mr. Blohm added that instead of possibly spending millions of dollars with the bypass and valve system, it is prudent to continue with the water quality testing approach. Mr. Blohm stated that a more complete report on the issue is expected in June 2013.

General Manager/Secretary Ridenhour stated that HDR priced out storage tanks, and determined it would be a very costly alternative. Mr. Ridenhour explained another issue is that if there is a drought, the San Justo Reservoir will be needed as storage and we would still be faced with treating that water. He also mentioned that the Lessalt plant is designed with a pretreatment capability, which gives the ability to add pre-oxidant chemicals for treating the poorer quality San Justo Water.

Director Clapham asked if, in the agreement, we could require the contractor to begin the pipeline first with a deadline for completion. General Manager/Secretary Ridenhour said that he could talk with San Benito County Water District about having that task begin

first. Mr. Blohm expressed his opinion regarding doing that, stating that generally your bid may come in lower because of the contractors availability to do the overall job in a cost effective manner, but once you start stipulating dates for certain tasks, then the odds are that your bid will be increased.

Upon motion made by Director Villalon, seconded by Director Clapham, and carried 4-0 (Director Johnson absent), the Board authorized an amendment of scope of work of an agreement with Kennedy/Jenks Consultants to add water quality investigation and constructability analysis of the Lessalt Water Treatment Plant upgrade for an amount not to exceed \$15,000.

3. CONSIDER DELEGATION OF CHECK SIGNING DUTIES TO DIRECTOR

HILL: General Manager/Secretary Ridenhour explained that the check signing process has changed since Director Anderson retired and Director Hill has taken over the duties. Director Hill volunteered to visit the District office weekly to sign checks for bill payments, which is being performed in accordance with the Purchasing Policy No. 8120.2, which states checks will be signed by two authorized signers (preferably one of which will be a Director).

General Manager/Secretary Ridenhour stated that it was the suggestion of Cathy Buck, Finance Manger that the Director volunteering for the duties of check signing be compensated for the commitment of coming to the District office at least once a week to sign checks, and sometimes more. The compensation for this duty would be equivalent to one day of service per month, resulting in an additional payment of \$100 per month.

Upon motion made by Director Clapham, seconded by Director Villalon, and carried 4-0 (Director Johnson absent), the Board approved compensation for the delegation of check signing duties to Director Hill.

4. CONSIDER AUTHORIZATION TO USE APPROXIMATELY \$1,218,959 OF RESERVE FUNDS TO PAY OFF THE DISTRICT'S CalPERS SIDE FUND OBLIGATION AND THE BALANCE OF THE SANTA BARBARA BANK & TRUST LOAN:

Finance and Human Resource Manager Cathy Buck detailed the District's cash reserves in her staff report, which showed a total unrestricted cash reserve balance of almost \$3.6 million, and explained that we are making 0.35% or less in interest income on investing these funds with financial institutions. Ms. Buck went on to explain that if the CalPERS Side Fund and Santa Barbara Bank & Trust (now Union Bank) loan were paid off, the District would still have a substantial balance in cash reserves. Ms. Buck reported that the District is currently paying seven and half percent interest on the CalPERS Side Fund and five percent interest on the bank loan.

Cathy Buck stated that, in addition to the side fund liability, the District also has an unfunded liability with regard to our CalPERS retirement plan, neither of which is currently required to be reported in our financial statements as debt. However, accounting standards are changing and within the next two years, these will be reportable obligations. When this change occurs, recording these liabilities will negatively impact our coverage ratio for other debt obligations and could force rates higher.

Ms. Buck stated that the benefits of paying off the Side Fund include: reducing the employer contribution rate by 7.692%, which reduces payments by over \$120,000 per year; saving the District over \$350,000 in interest over the next nine years; and reducing the unfunded liability by the District.

Ms. Buck explained that the SBB&T (Union Bank) loan was taken out to pay for Well #11. At the time, the District had enough water connection fees to cover the expense, but decided it was more beneficial to keep the cash and borrow from the bank at 5% interest. When the loan was established, the District was required to set aside a 10% cash reserve in the amount of \$100,000.00, which has grown to \$101,558.08 and is held in Union Bank's Trust Department. Once the loan is paid off, the restriction on reserve account would be lifted and the funds would be available to the District.

General Manager/Secretary Ridenhour reported that paying off these two loans has been discussed with the rate study consultants in determining the new water rates. President Meraz added that this agenda item has been discussed with the Finance Committee and they are in agreement with paying these two loans off.

Loretta McDermott, of the public audience, asked if the District paid off the reserve fund what money would be left, and General Manager/Secretary responded that the District currently has approximately \$4.3 million in reserves so once this was paid off we would still have approximately over \$3 million in reserves.

Upon motion made by Director Hill, seconded by Director Villalon, and carried 4-0 (Director Johnson absent), the Board approved using approximately \$1,218,959 of reserve funds to pay off the District's CalPERS Side Fund obligation and the balance of the Santa Barbara Bank & Trust (Union Bank) loan.

H. BOARD AND COMMITTEE STATUS REPORTS:

- 1. Governance Committee:** General Manager/Secretary Ridenhour reported that the Finance subcommittee of the Governance committee, which is made up of 2 members each from City of Hollister, Sunnyslope County Water District, and San Benito County Water District (SBCWD), met on April 25th. Jeff Cattaneo of SBCWD gave a presentation to cover the details of the water supply agreement; there was an update of the environmental work for the West Hills Treatment Plant; method in selecting construction manager for the Lessalt upgrade was discussed; and an update on the Hollister Urban Area Master Plan schedule.
- 2. Water/Wastewater Committee:** General Manager/Secretary Ridenhour reported the committee met on April 24th and covered what was to be discussed at the Finance subcommittee meeting; and discussed the schedule of the sewer line being installed by Anderson Pacific on Marks Drive, in conjunction with the Ridgemark Water and Wastewater Treatment Plant, which should begin this week.
- 3. Finance Committee:** President Meraz reported that the committee met on May 1st and discussed paying off CalPERS Side Fund and Santa Barbara Bank & Trust loan. General Manager/Secretary Ridenhour reported that the committee also discussed the revenue needs with the rate study consultants and discussed the potential water rate increase of 12% per year for five years, and the potential wastewater rate increase of approximately 19% for 2 years, with small increases or no increases in the following few years.

Director Clapham stated that there were a couple of options for utilizing the \$5 million contribution by San Benito County Water District (SBCWD), with one being to use the funds for rate stabilization and to ramp up water rates slowly. The second option is to pay down debt for the water treatment plant improvements, which would reduce the overall expenditure, and he asked where the committee stood on the issue. General Manager/Secretary Ridenhour reported that the City of Hollister was looking at the option of buying down the overall debt and Sunnyslope is leaning toward the rate

stabilization. Mr. Ridenhour stated that utilizing SBCWD's contribution for rate stabilization allows the District to keep rate increases the same each year for 5 years, rather than a few very large increases. The City of Hollister's financial situation was slightly different, and they found that the two options resulted in the same rate increases so it was an advantage for them to buy down the debt therefore reducing their long-term costs of paying interest on the debt. Mr. Ridenhour stated with the \$30 million in water system improvements split 3 ways between the City, Sunnyslope, and SBCWD, Sunnyslope is looking at a water rate increase of approximately \$6 - \$7 per customer per month, which is what staff was estimating the impact would be in 2012.

4. **Policy and Procedure Committee:** General Manager/Secretary Ridenhour reported the committee met on April 16th and are continuing to go through the sewer system section of the District Code, and are making good progress through Chapter 4. The next meeting will be scheduled later this month when Director Johnson returns.
5. **Personnel Committee:** President Meraz reported the committee met on April 17th to follow up on the direction given by the Board at the April 10th regarding future labor negotiations.
6. **Water Resources Association of San Benito County:** Director Hill reported that she filled in for Director Johnson for the May 2nd meeting. She reported that Shawn Novack, Program Administrator for the Water Resources Association, covered water conservation measures and what he is doing to get the word out, such as handing out brochures at Farmer's Market, and contacting all the local water agencies. Director Hill reported that Mr. Novack was assisting with the water rates public outreach and the 218 process for the City of Hollister and Sunnyslope County Water District. In the month of June, the public outreach group will have advertisements about the Hollister Urban Area Water Project (HUAWP) showing at the local theater, sending bill inserts, doing website advertising, sending emails to individuals showing interest in the HUAWP, and is assisting with presentations to the Hollister Rotary Club, LULAC, and the Chamber of Commerce.

Director Hill stated that the committee also reviewed the proposed budget for Fiscal Year 2014 for the WRA and reported that the numbers are slightly less than last year.

7. **Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** Engineer Girouard reported that Anderson Pacific is preparing to begin work on installing a new and larger sewer pipe line on Marks Drive. Mr. Girouard went door-to-door with flyers to notify effected customers of the schedule for the installation of the sewer line and paving.
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 Resources Manager Cathy Buck commented that she had prepared her narrative report on the District's Operations Summary (for April 30, 2013 and the ten-months year-to-date), Statement of Income (for March 31, 2013 and the nine-months year-to-date), and Investment Summary (for April 30, 2013 and the ten-months year-to-date), and asked if anyone had any questions. President Meraz inquired about the combined loss for March of \$79,436, and Ms. Buck explained that the March semi-annual debt service payment of \$103,388 on the revenue bond caused the month to net as a loss and also March water sales were still low, but water sales show an increase for April and should be much higher for the next few months.

The District's Investment Summary report reflects the total cash balance as of April, 2013 of \$4,298,226.92, which includes ten months earned interest totaling \$5,306.57. Ms. Buck explained that she will need to pull money from the CD's to pay off the CalPERS Side Fund.

The Board reviewed the Hollister-Sunnyslope Water Treatment Agency's Investment Summary ending April 30, 2013, which reflects a cash balance total of \$1,170,072.51, which includes \$573.93 fiscal year-to-date (two month's) interest earned. Cathy Buck explained that a couple of the CD's mature in May, and since Union Bank does not offer the add-on CD's and since the interagency agreement should be complete in the very near future, there was no need to re-invest the CD money so it will go directly into the checking account.

The Board reviewed Hollister-Sunnyslope Water Treatment Agency's Disbursement Summary, for the period of April 9, 2013 to May 6, 2013 totaling \$133,657.70.

Jim Filice reviewed the April, 2013 Maintenance Staff Report and answered questions from the Board. Director Hill inquired about #7 and #10, regarding the rebuilding of fire hydrants on Nez Perce and Caputo Ct., and Mr. Filice responded that while flushing the hydrants, staff discovered broken parts or seals that needed repair. Jim Filice pointed out #22-24, regarding the Vacon cleaning of manholes on Paullus Drive and South Ridgemark Drive and the discovery of significant Hydrogen Sulfide damage to the manholes. Mr. Filice explained that staff is currently working on a solution to the problem and he will be returning to the Board for approval of the repairs required for the manholes.

Director Clapham inquired as to why the number of times chlorine was added to the Fairview Water Tanks has gone down each year since 2009-2010, and Mr. Filice responded that the quality of water is better now, and the adding of the mixer to the tank may also play a part in the reduction of how much chlorine is needed.

During review of the Meter Reading Report for the period March 13, 2013 to April 15, 2013, Jim Filice noted the intertie meter data indicates the City received 30.6% of Lessalt water, while the District received 69.4%. Mr. Filice stated that the amount of water the City of Hollister owes Sunnyslope County Water continues to come down and they currently owe us approximately 510.5 million gallons.

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

9. **Active Tasks Update:** General Manager/Secretary Ridenhour reported that it is very likely that he will be bringing the Inter-Agency Agreement back to the Board in June, but he's not quite sure when the Operations Agreement will be ready. Mr. Ridenhour stated that San Benito County Water District is planning on taking the agreement to their Board later this month. Mr. Ridenhour added that he has not heard anything else on the Well # 8 property.

I. BOARD AND STAFF REPORTS

1. **Directors:** Director Villalon reported that he attended the ACWA/JPIA conference this month. The JPIA elected their Board members and have decided to reinstate the Rio Linda Water District. Director Villalon inquired about whether the District has received an insurance refund check from ACWA, and Finance Manager Cathy Buck responded that we have not, but that we are only members of the ACWA Workers Compensation

Program and not their Property and Liability insurance program, so she is not sure where that refund would be coming from. Director Villalon also expressed his interest in the District taking advantage of some of the training programs that ACWA offers, and Ms. Buck responded that she receives emails from ACWA and forwards them on to Jim Filice and he has taken advantage of a few in the past. General Manager/Secretary Ridenhour commented that the District likes to take advantage of the training that is relatively close rather than incurring the expense of those out of area. Director Villalon also reported that he completed his ethics training at the conference.

Director Hill reported that she attended a couple of days of the conference and attended a few workshops, including one that was about the water storage south of the Delta. She noted there was a long discussion about finding a water storage area along the California Aqueduct. Director Hill stated that the filling of the San Luis Reservoir was discussed as well as the capturing of the “snow run off” that is used for potential drinking water. At this time, they are apparently losing a lot of water that is going directly into the ocean.

2. **District Counsel:** Attorney Laredo reported that this past month he has been reviewing the Inter-Agency Agreement and next month will be working with staff on the Prop 218 process.
 3. **District Engineer:** Engineer Girouard reported that Verizon has contacted him because they are interested in putting a cell tower near the Fairview water tanks; however they are having problems trying to get power to the site and are currently working with various neighbors on that issue.
 4. **Finance-HR Manager:** Finance & Human Resource Manager Cathy Buck reported that she is currently working on the Fiscal 2013/14 budget, which is effective July 1st. Ms. Buck stated that the District’s property and liability insurance renewal is coming up in June. Both of which will need to be taken to the Finance Committee for review, as well as the Hollister-Sunnyslope Water Treatment Agency’s insurance policy renewal.
 5. **General Manager:** General Manager/Secretary Ridenhour reported that he attended the ACWA Conference on Wednesday and Thursday of last week and attended a few workshops that included water rates, water conservation rate structures, public/private project financing, the Bay Delta Conservation Plan, the Water Bond planned for the 2014 ballot; and the Region 5 meeting.
- J. FUTURE AGENDA ITEMS:** Future agenda items include: a Special meeting on June 5th for water and wastewater rates; the FY 2013/14 budget; insurance renewals for the District and the Hollister-Sunnyslope Water Treatment Agency; and the Water Supply and Treatment Agreement.
- K. ADJOURN:** Upon motion made by Director Villalon, seconded by Director Clapham, and carried 4-0 (Director Johnson absent), the meeting was adjourned at 6:45p.m.

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

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