

**MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
May 14, 2014**

- A. CALL TO ORDER:** The meeting was called to order at 5:15 p.m. by President Villalon, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. ROLL CALL: Present:** President Danny Villalon; Directors Dave Clapham, Kathleen Hill, John M. Johnson, and Dave Meraz.
- C. PLEDGE OF ALLEGIANCE:** Director Clapham led Directors, staff, and public in the Pledge of Allegiance.
- D. APPROVAL OF AGENDA:** Upon motion made by Director Meraz, seconded by Director Hill, 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.

Staff present for Open Session: General Manager/Secretary Don Ridenhour; Attorney Heidi Quinn; Executive Assistant/Stenographer Carol Porteur; Finance and Human Resource Manager Cathy Buck; Water/Wastewater Superintendent Jim Filice, and Associate Engineer Sean Knight.

Others present: Several San Benito High School students and a parent.

F. CONSENT AGENDA:

1. Approval of Minutes –Regular Meeting of April 9, 2014.
2. Allowance of Claims – Ratify disbursements for the period April 2, 2014 through May 6, 2014 totaling \$680,188.92, which includes \$339,482.07 paid to vendors and employees, \$339,342.84 paid to the City of Hollister for collection of their customer’s sewer billings, and \$1,364.01 paid to customers for refunds and deducted by the bank for customer NSF checks returned. The last check written as of May 6, 2014 was #19683. The list of disbursements is as follows:

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
04/03/14	ACH 0583	Merchant Services	-684.97
04/15/14	ACH 0584	EFTPS	-262.60
04/08/14	ACH 0585	RETURNED CHECK (Ck Ret 04-01)	-125.98
04/16/14	ACH 0586	RETURNED ACH (ACH Ret. 04-01)	-115.13
04/17/14	ACH 0587	RETURNED ACH (ACH Ret. 04-02)	-127.98
04/30/14	ACH 0588	EFTPS	-21,050.66
04/21/14	ACH 0589	RETURNED CHECK (Ck Ret 04-02)	-196.30
04/30/14	ACH 0590	RETURNED CHECK (Ck Ret 04-03)	-225.00
05/05/14	ACH 0593	Merchant Services	-691.12
04/15/14	DD 1088	Clapham, David G	-183.70
04/15/14	DD 1089	Johnson, John M	-266.05
04/15/14	DD 1090	Meraz, David E	-339.26
04/15/14	DD 1091	Villalon, Daniel	-237.23
04/30/14	DD 1092	Alvarez, Abel	-4,808.92
04/30/14	DD 1093	Brill, Kelly L.	-4,874.65

Date	Num	Name	Amount
04/30/14	DD 1094	Buck, Cathy L.	-6,527.46
04/30/14	DD 1095	Castro, Kevin G.	-4,913.81
04/30/14	DD 1096	Chavez, Jr., Manuel T.	-5,717.65
04/30/14	DD 1097	Eclarin, Ernesto P.	-5,001.42
04/30/14	DD 1098	Estrada, Thomas A.	-4,357.72
04/30/14	DD 1099	Filice, James L.	-6,573.45
04/30/14	DD 1100	Hagins, Patrick M.	-4,453.55
04/30/14	DD 1101	Jackson, Patrick W.	-6,916.61
04/30/14	DD 1102	Knight, Sean W.	-5,639.21
04/30/14	DD 1103	Malko, Kim A.	-2,517.11
04/30/14	DD 1104	Norman, III, Walter R.	-5,580.79
04/30/14	DD 1105	Padilla, David	-5,085.80
04/30/14	DD 1106	Porteur, Carol A.	-4,007.07
04/30/14	DD 1107	Ridenhour, Donald G	-9,837.41
04/30/14	DD 1108	Watson, Scott A.	-4,825.98
04/30/14	DD 1109	Zavala, Anabel G.	-4,146.16
04/28/14	14747	JANET LARNER (Reinstate stale dated check cashed)	-41.67
04/07/14	19578	Ace Hardware (Johnson Lumber Co.)	-308.16
04/07/14	19579	AT&T	-453.76
04/07/14	19580	Calif. Dept. of Public Health	-1,971.20
04/07/14	19581	Calif. Dept. of Public Health (WTA)	-2,700.80
04/07/14	19582	CM Analytical, Inc.	-6,157.50
04/07/14	19583	Corix Water Products	-978.74
04/07/14	19584	Everbank Commercial Finance, Inc.	-224.60
04/07/14	19585	Mission Uniform Service	-645.92
04/07/14	19586	P G & E	-22,184.50
04/07/14	19587	Recology San Benito County	-124.80
04/07/14	19588	RMC Water and Environment	-1,983.40
04/07/14	19589	San Benito County Water District	-154.75
04/07/14	19590	South Valley Internet, Inc.	-20.45
04/07/14	19591	U.S. Bank Corporate Payment Systems	-2,593.81
04/07/14	19592	Wright Bros. Welding & Sheet Metal, Inc.	-16.32
04/08/14	19593	Ben Caputo Printing	-1,199.01
04/14/14	19594	All Star Ready Mix, LLC	-86.04
04/14/14	19595	Auto Tech Service Center, Inc.	-36.88
04/14/14	19596	Bianchi Kasavan & Pope, LLP	-2,254.00
04/14/14	19597	Blinds by Design	-1,429.75
04/14/14	19598	City of Hollister-Finance Dept	-77.79
04/14/14	19599	CWEA - Monterey Bay Section	-90.00
04/14/14	19600	Everbank Commercial Finance, Inc.	-226.87
04/14/14	19601	Greenwood Chevrolet	-60.76
04/14/14	19602	Independent Business Forms, Inc.	-71.00
04/14/14	19603	Monterey Bay Systems	-1,253.49
04/14/14	19604	NH3 Service Company	-886.88
04/14/14	19605	Sierra Chemical Co.	-2,326.41
04/14/14	19606	Toro Petroleum Corp.	-1,369.10
04/15/14	19607	Hill, Kathleen A	-370.40
04/14/14	19608	San Benito County Clerk	-128.00
04/21/14	19609	A-1 Services	-403.00
04/21/14	19610	American Water Works Assoc. CA-NV Section	-55.00
04/21/14	19611	Auto Tech Service Center, Inc.	-66.59
04/21/14	19612	Bianchi Kasavan & Pope, LLP	-5,268.09
04/21/14	19613	Bracewell Engineering, Inc.	-292.00
04/21/14	19614	Calcon System, Inc.	-6,643.90
04/21/14	19615	City of Hollister-Finance Dept	-339,342.84
04/21/14	19616	CM Analytical, Inc.	-2,595.00
04/21/14	19617	De Lay & Laredo	-2,846.00
04/21/14	19618	Don Chapin Co. Inc., The	-90.00
04/21/14	19619	EBCO Pest Control	-55.00
04/21/14	19620	Electrical Distributors Co.	-121.42
04/21/14	19621	Monterey Bay UAPC Dist	-3,563.00
04/21/14	19622	RMC Water and Environment	-847.50

Date	Num	Name	Amount
04/23/14	19623	Postmaster	-242.40
04/30/14	19624	CalPERS - Health Insurance	-15,472.53
04/30/14	19625	Dearborn National Life Insurance Company	-288.00
04/30/14	19626	HealthSmart Benefit Solutions, Inc. (VSP)	-347.38
04/28/14	19627	AL's Septic Tank Service Inc.	-1,125.00
04/28/14	19628	American Water Works Association (AWWA)	-1,830.00
04/28/14	19629	AT&T	-230.50
04/28/14	19630	Ben Caputo Printing	-3,659.25
04/28/14	19631	Brigantino Irrigation	-30.42
04/28/14	19632	Bryce Consulting, Inc.	-995.50
04/28/14	19633	Calcon System, Inc.	-8,861.00
04/28/14	19634	Corix Water Products	-420.68
04/28/14	19635	Kart Man's, The	-65.00
04/28/14	19636	Mc Master-Carr	-83.33
04/28/14	19637	Mid Valley Supply	-280.67
04/28/14	19638	National Meter & Automation, Inc.	-4,815.82
04/28/14	19639	O'Reilly Auto Parts	-27.63
04/28/14	19640	Palace Art & Office Supply	-84.38
04/28/14	19641	Pentair Valves & Controls US LP	-175.52
04/28/14	19642	Radio Shack (Crystal T.V.)	-11.36
04/28/14	19643	San Benito County Water District	-31,355.92
04/28/14	19644	Sierra Chemical Co.	-1,445.30
04/28/14	19645	Stargazer Packaging	-631.32
04/28/14	19646	Toro Petroleum Corp.	-2,029.40
04/28/14	19647	Verizon Wireless	-377.40
04/28/14	19648	Wright Bros. Indust. Supply	-8.86
04/28/14	19649	Postmaster	-1,921.55
04/30/14	19650	Employment Dev. Dept. (EDD) DE88 Pmts.	-8,459.65
04/30/14	19651	CalPERS - Retirement	-1,036.00
04/30/14	19652	Nationwide Retirements Solutions	-11,754.16
04/30/14	19653	Premier Access Insurance Co.	-3,406.04
04/30/14	19654	CalPERS - Retirement	-29,870.39
05/05/14	19655	Ace Hardware (Johnson Lumber Co.)	-376.27
05/05/14	19656	AT&T	-422.41
05/05/14	19657	Brenntag Pacific, Inc.	-1,969.05
05/05/14	19658	CM Analytical, Inc.	-5,230.00
05/05/14	19659	Everbank Commercial Finance, Inc.	-224.60
05/05/14	19660	Fastenal Company	-5.74
05/05/14	19661	Gabilan Welding, Inc.	-67.19
05/05/14	19662	J L Wingert Co.	-805.84
05/05/14	19663	Mission Uniform Service	-801.03
05/05/14	19664	Northern Tool & Equipment Co.	-1,001.07
05/05/14	19665	Palace Art & Office Supply	-201.00
05/05/14	19666	Petty Cash	-11.90
05/05/14	19667	Postmaster	-58.00
05/05/14	19668	Power Equipment Co.	-5.91
05/05/14	19669	Razzolink.com	-195.85
05/05/14	19670	San Benito County Clerk	-46.00
05/05/14	19671	San Benito County Water District	-245.00
05/05/14	19672	Shape Products	-146.91
05/05/14	19673	Sierra Chemical Co.	-1,275.49
05/05/14	19674	Wright Bros. Welding & Sheet Metal, Inc.	-318.50
05/05/14	19675	PETER CANTU	-30.33
05/05/14	19676	EXECUTIVE ESTATES	-227.54
05/05/14	19677	FERNANDO FIGUEROA	-61.36
05/05/14	19678	AARON MARTINEZ	-37.18
05/05/14	19679	CHRISTOS & DIANA MATHEOU	-15.19
05/05/14	19680	SUSAN BADA & DAN MCMATH	-21.26
05/05/14	19681	DAVID & ROSE SASO	-58.56
05/05/14	19682	KELI & BRENT THOMPSON	-14.95
05/05/14	19683	PATRICK & IRENE TURTURICI	-65.58
Total Disbursements			-680,188.92

3. Consider approval to release the retention for the Ridgemark Wastewater Treatment Plant Project and make a final payment of \$10,000 to Anderson Pacific.

Upon motion made by Director Hill, seconded by Director Clapham, and carried 5-0, the Board approved the Consent Agenda as presented.

G. NEW BUSINESS:

1. CONSIDER ADOPTION OF THE PROPOSED DISTRICT RESERVE POLICY AND PLACE FUNDS IN EACH RESERVE CATEGORY: General

Manager/Secretary Ridenhour explained that the District does not currently have a written reserve policy to ensure appropriate funds are in place to finance capital replacement needs, debt service obligations, and emergency repairs. Adequate reserves have been maintained and currently exist, but no formal policy has previously been adopted by the Board. Mr. Ridenhour stated that during the water and wastewater rate development process in 2013, the recommendation was to maintain a minimum of 50% of the District's annual operating costs within the District's reserves. With guidance of the Policy and Procedures Committee, staff has developed a reserve policy for the Board's consideration. The proposed reserve policy distinguishes three categories of reserves including legally restricted reserves, Board designated reserves, and unrestricted reserves.

Mr. Ridenhour stated that legally restricted reserves include required debt service reserves, water capacity fees, and wastewater capacity fees. Board designated reserves are not legally required, but are intended for the purpose of funding large capital improvements, equipment replacement, and drought contingency funds. Unrestricted reserves are intended to smooth out the need for rate increases and are proposed to be equivalent of six months of the District's operating budget requirements, which is consistent with the assumptions used in developing the District's rates.

Mr. Ridenhour stated that the Policy and Procedures Committee has reviewed the proposed reserve policy and is recommending the Board approve and adopt such policy, and recommends the initial funds set aside in each category be as follows: ♦ Legally Restricted Reserves - CSWRCB SRF Loan \$740,000; Water Capacity Fees \$928,331.31; Wastewater Capacity Fees \$16,988.65; ♦ Board Designated Reserves - Capital Improvement Reserve Fund \$1,700,000; Vehicle Replacement Fund \$50,000; Emergency Equipment Replacement Fund \$100,000; Office and Miscellaneous Equipment Replacement Fund \$25,000; Drought Contingency Reserve \$400,000; and ♦ Unrestricted Reserves \$2,020,871.52 for a total of \$5,981,191.28. Mr. Ridenhour stated that each year when the new fiscal year's budget is presented to the Board, the reserve policy amounts will be reviewed and adjusted as needed.

Director Meraz inquired as to whether the Drought Contingency Reserve was included in the total reserve amount and General Manager/Secretary Ridenhour stated that all of the reserve categories listed were included in the current reserves total. Director Hill stated that the Policy and Procedures committee felt that the District was where it needs to be with these reserves.

Upon motion made by Director Meraz, seconded by Director Johnson , and unanimously carried 5-0, the Board approved the adoption of the proposed District Reserve Policy and to place funds as indicated in each reserve category.

2. CONSIDER APPROVAL OF PROFESSIONAL SERVICES CONTRACT WITH HARPER & ASSOCIATES ENGINEERING, INC., FOR COATING AND CATHODIC ENGINEERING SERVICES FOR THE RIDGEMARK WATER

TANKS IN THE AMOUNT NOT TO EXCEED \$80,490: Associate Engineer Sean Knight explained that the Ridgemark water tanks, which provide storage for the District's high zone, are 25 and 35 years old. In order to maintain and continue the service life to the District of these water tanks, they should be inspected and any necessary repairs performed in a timely manner. The tanks are on a 3-5 year maintenance inspection cycle. The last inspection was performed in 2010 and indicated some significant repairs be made within the next five years. The recommended repairs included spot repair and over-coating of the exterior surfaces, coating the interior, and spot weld repairs as necessary.

Mr. Knight explained that tank coatings and cathodic protection design are generally prepared by specialists. District staff sent out a Request for Proposal (RFP) to six firms soliciting consultants who are capable of providing this service. Mr. Knight stated that two proposals were received by April 11th, one from Harper & Associates Engineering, Inc. and one from Corpro. Mr. Knight stated that in Corpro's RFP, they only responded to the cathodic protection and not the coating of the tanks. Staff reviewed the proposals received and shared and discussed their recommendation with the Water and Wastewater Committee on April 17th.

Mr. Knight pointed out that Harper & Associates specialize in tank coating and cathodic protection work and have extensive experience and references from other water agencies.

President Villalon inquired about the whether earthquake retrofit was needed and what the down time would be for completing the work. Associate Engineer Knight explained that the tanks were evaluated for seismic retrofit needs and it was not necessary at this time, and as for the down time, that would be determined once the bid was accepted, but he did state that they would do one tank at a time so the second tank would be in operation as well as Lessalt Water Treatment Plant being back on line after the upgrade, to service the District.

Upon motion made by Director Meraz, seconded by Director Hill, and unanimously carried 5-0, the Board approved a professional services contract with Harper & Associates Engineering, Inc. for coating and cathodic engineering services for the Ridgemark water tanks in the amount not to exceed \$80,490.

3. CONSIDER APPROVAL OF PROFESSIONAL SERVICES CONTRACT WITH HDR ENGINEERING, INC. FOR ON-CALL WATER MODELING ENGINEERING SERVICES IN THE AMOUNT NOT TO EXCEED \$30,000:

Associate Engineer Sean Knight explained that the District has a need for determining development driven improvements to our existing water distribution system. These development driven improvements may include additional storage, a booster pump, or system modifications (e.g. up-size pipes). Developers may also want to use the District's model for development specific modeling. The District does not want to hand out a copy of its model to every potential developer, so this on-call contract could be used to facilitate those needs while having the developer pay the cost for modeling.

HDR developed a hydraulic model of the District's combined distribution system with the City of Hollister as part of the Hollister Urban Area Water and Wastewater Master Plan (HUAMP). They have maintained this model and used it to perform many system-wide analysis as part of the implementation of the HUAMP. Using HDR to provide this unique service will benefit the District in both cost and time savings and will allow the District's model to remain centralized and up to date.

Mr. Knight pointed out that several developments within the District's jurisdiction are now indicating they are moving forward with designing infrastructure, the District should be prepared to indicate to developers any and all impacts their development has on the

District's system. It would be best for all concerned if the District can highlight any and all impacts, and the District's expectations and requirements for mitigating those impacts early on in the process. Distribution system modeling and master planning is the tool that helps the District anticipate these needs. Mr. Knight added, all tasks under this contract will have both scope and cost brought to the Water and Wastewater Committee for consideration prior to the General Manager authorizing the services.

Mr. Knight explained that if this type of contract (namely an on-call contract) is approved, it does not mean that the District will use any or all of the \$30,000, but makes it available to the District should the need arise. This contract has an expiration date of the December 31, 2014 and whether any or all of the \$30,000 is used, the contract would no longer be available after that date. A new on-call water modeling engineering service contract would be needed after the expiration of the current contract. Staff would bring a new contract proposal request to the Board for approval.

Director Meraz inquired as to whether we would need to continue to use HDR for the modeling process or if we would have the capability to "plug" the information into the model ourselves, and Mr. Knight explained that at this time the District does not have staff that has the capacity to do so, so we would continue to use HDR.

Upon motion made by Director Meraz, seconded by Director Johnson, and unanimously carried 5-0, the Board approved the professional services contract with HDR Engineering, Inc. for on-call water modeling engineering services in the amount not to exceed \$30,000.

- 4. CONSIDER AUTHORIZING THE GENERAL MANAGER TO SIGN A LETTER OF INTENT TO PROVIDE WATER SERVICE TO A PROPOSED DEVELOPMENT ON ASSESSOR PARCELS 020-280-041, 020-280-043, 020-280-022, AND 020-320-007:** General Manager/Secretary Ridenhour stated that the owners, predominantly the Brigantino Family, of Assessor Parcels 020-280-041, 020-280-043, 020-280-022, and 020-320-007, which are located within the District's Southside Annexation Area at the corner of Southside Road and Hospital Road, are planning a subdivision and have requested a letter of intent to provide water service to the proposed development. Mr. Ridenhour stated that the properties are not yet annexed to the District, but annexation is scheduled to be considered by the Local Area Formation Commission (LAFCo) on May 22nd. The Board certified the environmental document for the annexation of the Southside Road Area and Approved Resolution No. 530 initiating the request and application for annexation to LAFCo on February 12, 2014. A letter of intent to provide water service is appropriate at this time because of the preliminary subdivision plans and the status of the annexation of the property to the District. Prior to providing actual water service, the property owner(s) will need to request a will serve letter and enter into a development agreement that will detail District conditions for water service and require Board approval.

Mr. Ridenhour explained that the District currently has adequate water supplies to serve additional development within the Hollister Urban Area and the proposed District boundaries. Prior to actual service being provided to the properties, staff will review the sufficiency of the District's water supplies and infrastructure. The proposed development will be required to construct and contribute the necessary improvements to the District's water system to ensure there are no impacts to existing District water customers. Mr. Ridenhour added that wastewater service for the properties and development will be provided by the City of Hollister.

President Villalon asked if this would have an impact on our current customers, and General Manager/Secretary Ridenhour stated that the developer would need a pipeline

plan and that information would be given to HDR, at the developer's expense, to make sure the project would not stress the District's system. Director Hill asked if the modeling process will account for pressure in the system and Mr. Ridenhour responded that the demands are placed where the proposed project will be located and that will give us the information on pressure demand.

Upon motion made by Director Hill, seconded by Director Johnson, and unanimously carried 5-0 the Board authorized the General Manager to sign a letter of intent to provide water service to a proposed development on Assessor Parcels 020-280-041, 020-280-043, 020-280-022, and 020-320-007.

H. BOARD COMMITTEE and STATUS REPORTS

- 1. Governance Committee:** General Manager/Secretary Ridenhour reported that the Governance Committee met on April 23rd and discussed an update on the Public Outreach, a contract that San Benito County Water District holds with Data Instincts, and there is still money available in that contract to spend; the Lessalt upgrades construction is nearing 50% complete; the West Hills Water Treatment Plant 50% design, the California Department of Health has sent back comments on the design process; and discussed the need to update the Master Plan and consider scope and budget. The Master Plan was adopted in 2008 with an update plan to be in place by 2015.
- 2. Water/Wastewater Committee:** General Manager/Secretary Ridenhour reported the committee met on April 17th to review Hollister Urban Area Master Plan; the Ridgemark tank rehabilitation project; water modeling contract with HDR; and then the committee took a tour of the Lessalt Water Treatment Plant & Pipeline Construction site.
- 3. Finance Committee:** Director Meraz reported the committee met on May 12th to review and discuss the draft of the FY 2014/2015 budget. The committee will be bringing the budget to the Board in June.
- 4. Policy and Procedure Committee:** General Manager/Secretary Ridenhour reported the committee met on May 13th to review and revise comments received from legal counsel on District Code - Chapter 3.
- 5. Personnel Committee:** Director Meraz reported the committee met on May 2nd, May 9th, and May 13th to review the compensation survey the District received, prepare for District staff contract negotiations, and had first meeting with staff for contract negotiations. Director Meraz requested that the Board hold a Special Meeting the first week of June to discuss and determine the terms of the new contract.
- 6. Water Resources Association of San Benito County (WRA):** Director Johnson reported a meeting was held on May 1st to review the WRA's FY 14/15 preliminary budget. Director Johnson added that Sean Novack has proposed a new Water Resources Program which is "Cash for Grass". The program will rebate customers for replacing their grass with drought tolerant landscaping.
- 7. Operation Summary, Statement of Income, Investment Summary, Maintenance, City Meter Reading, and Groundwater Level Measurement Reports:** Finance and Human Resource Manager Cathy Buck prepared a narrative report on the District's Operations Summary (thru April 30, 2014), Statement of Income (thru March 31, 2014), and Investment Summary (thru April 30, 2014). Ms. Buck pointed out that the District received the final SRF disbursement request #27 in the amount of \$607,669 on May 1st, which brings the total borrowed on the loan to the maximum of \$11,400,000. Then, in

consideration of the SRF deposit and other excess cash in the checking account, Ms. Buck transferred \$1,250,000 (with General Manager Ridenhour's approval) to LAIF, bringing the total funds invested in LAIF to \$5,385,760.25. Ms. Buck asked if any of the Directors had any questions, receiving none.

The District's Investment Summary report reflects the total cash balance as of April 30, 2014 of \$5,981,191.38, which includes ten-months earned interest totaling \$6,082.29.

Water/Wastewater Superintendent Jim Filice reviewed the April, 2014, Maintenance Staff Report. Mr. Filice pointed out that the Hollister Fire Department conducted a site tour inspection of the District Office and only found an outlet that had two items plugged into it and a box that was sitting in front of a sprinkler head, both were a simple fix. President Villalon inquired about "drought suspension" noted on valves being exercised and fire hydrants flushed, due to our water situation. President Villalon suggested that even though staff has suspended the fire hydrant flushing, exercising of the valves should continue, particularly on the gate valves, otherwise they may freeze up. Mr. Filice stated that he would correct it on the Maintenance Staff Report and staff will continue exercising the valves.

During review of the Meter Reading Report for the period March 12, 2014 to April 14, 2014, Mr. Filice noted the intertie meter data indicates the City received 35.9% of Lessalt water, while the District received 64.1%, which is about even with last month.

Jim Filice reviewed the groundwater level report and noted that the wells are down slightly.

8. **Active Tasks Update:** General Manager/Secretary Ridenhour reported the new Chromium 6 regulations are proposed to go into effect July 1st and may require improvements to the District's water system and will impact our interties with the City of Hollister. Mr. Ridenhour emphasized the importance of the regulations and discussed with the Board some of the possibilities for the improvements. Mr. Ridenhour reported that staff is preparing plans and specifications for bidding to repair four sewer manholes that are significantly degraded.

I. BOARD and STAFF REPORTS

1. **Directors:** Director Meraz reported that he attended the ACWA Spring Conference & Exhibition in Monterey this month and went to a Chromium 6 session, and a Town Hall meeting which consisted of a panel of 5 individuals that discussed the drought situation.
2. **District Counsel:** No report.
3. **Finance & HR Manager:** Cathy Buck reported that she attended a Governmental Accounting & Auditing Conference held in Sacramento on May 13th which was very informative and she has brought back useful information. Ms. Buck stated that the new folding/stuffing machine has been received and installed, and the old machine was picked up by San Benito County Water District for their use.
4. **General Manager:** General Manager/Secretary Ridenhour reported that he attended two days of the ACWA Spring Conference & Exhibition in Monterey as well. Mr. Ridenhour attended two sessions on the Chromium 6; a drought response session; and groundwater regulations session. Mr. Ridenhour reported that our Board Room will be used by the County of San Benito as a polling place for the General Election on June 3rd.

J. FUTURE AGENDA ITEMS: The FY 2014/2015 Budget and a Resolution for County Officials to conduct an election for the District this November.

K. ADJOURNMENT: Upon motion made by Director Johnson, seconded by Director Meraz, and carried 5-0, the meeting was adjourned at 6:32 p.m.

APPROVED BY THE BOARD: s/ Danny Villalon
Danny Villalon, President

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