

MINUTES
BOARD OF DIRECTORS
SUNNYSLOPE COUNTY WATER DISTRICT
Regular Meeting
May 17, 2016

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 Judi Johnson, and Danny Villalon. **Absent:** Directors Dave Meraz, and Mike Alcorn (Director Alcorn arrived at 5:30 p.m. at agenda item G-2)

C. PLEDGE OF ALLEGIANCE: Student Jordan Orozco 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 3-0 (Directors Alcorn and Meraz 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 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, and Assistant Engineer Rob Hillebrecht.

F. CONSENT AGENDA:

1. Approval of Minutes – for the Regular Meeting of April 19, 2015.
2. Allowance of Claims – to ratify disbursements for the period from April 12, 2016 through May 9, 2016, totaling \$1,120,793.72, which includes \$274,168.36 for payments to vendors and employees, \$343,514.60 paid to the City of Hollister for amounts collected from their customer’s for City sewer billings net of our fees, \$500,000.00 transferred to LAIF, and \$3,110.76 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of May 9, 2016 was check #21927.

The list of disbursements is as follows:

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
04/15/16	ACH 0824	EFTPS	-132.10
04/18/16	ACH 0825	RETURNED ACH (ACH Ret 04-01)	-173.17
04/18/16	ACH 0826	RETURNED ACH (ACH Ret 04-02)	-181.28
04/19/16	ACH 0827	RETURNED ACH (ACH Ret 04-03 Thru 04-05)	-396.66
04/15/16	ACH 0828	RETURNED CHECK (Ck Ret 04-01)	-157.28
04/29/16	ACH 0829	EFTPS	-21,311.04
04/22/16	ACH 0830	RETURNED CHECK (Ck Ret 04-02)	-167.18
04/25/16	ACH 0831	RETURNED CHECK (Ck Ret 04-03)	-121.54
05/09/16	ACH 0832	LAIF Transfer	-500,000.00
05/03/16	ACH 0833	Merchant Services	-743.51
05/03/16	ACH 0834	Merchant Services	-1,159.84
04/15/16	DD 1619	Alcorn, Michael H	-92.35
04/15/16	DD 1620	Johnson, Judi H	-92.35
04/15/16	DD 1621	Meraz, David E	-92.35
04/15/16	DD 1622	Villalon, Daniel	-159.70
04/29/16	DD 1623	Alvarez, Abel	-4,901.61

Date	Number	Name	Amount
04/29/16	DD 1624	Brill, Kelly L.	-4,210.03
04/29/16	DD 1625	Buck, Cathy L.	-6,452.88
04/29/16	DD 1626	Castro, Kevin G.	-4,152.72
04/29/16	DD 1627	Chavez, Jr., Manuel T.	-6,365.45
04/29/16	DD 1628	Eclarin, Ernesto P.	-4,516.55
04/29/16	DD 1629	Filice, James L.	-6,595.65
04/29/16	DD 1630	Hagins, Patrick M.	-4,921.53
04/29/16	DD 1631	Hillebrecht, Robert B	-3,731.47
04/29/16	DD 1632	Jackson, Patrick W.	-5,211.73
04/29/16	DD 1633	Malko, Kim A.	-2,960.94
04/29/16	DD 1634	Norman, III, Walter R.	-4,734.49
04/29/16	DD 1635	Padilla, David	-5,419.20
04/29/16	DD 1636	Porteur, Carol A.	-4,042.75
04/29/16	DD 1637	Quick, Troy E	-3,981.30
04/29/16	DD 1638	Ridenhour, Donald G	-9,925.75
04/29/16	DD 1639	Sanchez, Ricardo A	-3,883.90
04/29/16	DD 1640	Watson, Scott A.	-5,346.53
04/29/16	DD 1641	Zavala, Anabel G.	-4,460.70
04/15/16	21844	Hill, Kathleen A	-184.70
04/18/16	21845	Porteur, Carol A.	-95.47
04/18/16	21846	A-1 Services	-403.00
04/18/16	21847	Bianchi Kasavan & Pope, LLP	-30.00
04/18/16	21848	Brenntag Pacific, Inc.	-7,320.12
04/18/16	21849	Calcon System, Inc.	-1,289.00
04/18/16	21850	City of Hollister-Finance Dept	-343,514.60
04/18/16	21851	CM Analytical, Inc.	-1,370.00
04/18/16	21852	Hach Company	-813.23
04/18/16	21853	Hollister Safe & Lock Inc.	-85.00
04/18/16	21854	Mc Kinnon Lumber Co., Inc.	-40.39
04/18/16	21855	Monterey Bay Air Resources District	-4,088.00
04/18/16	21856	San Benito County Water District	-136.00
04/18/16	21857	Shape Products	-125.82
04/18/16	21858	State Water Resources Control Board-OOC	-1,080.00
04/22/16	21859	Postmaster	-210.54
04/25/16	21860	American Water Works Association (AWWA)	-1,920.00
04/25/16	21861	Bracewell Engineering, Inc.	-252.00
04/25/16	21862	CM Analytical, Inc.	-8,835.00
04/25/16	21863	Edges Electrical Group	-252.22
04/25/16	21864	Konika Minolta Premier Finance	-417.72
04/25/16	21865	State Board of Equalization-Use Tax	-112.50
04/25/16	21866	State Water Resources Control Board-DWPF	-11,531.61
04/25/16	21867	Toro Petroleum Corp.	-1,186.13
04/29/16	21868	Employment Dev. Dept. (EDD) DE88 Pmts.	-7,918.12
04/29/16	21869	CalPERS - Retirement	-1,036.00
04/29/16	21870	CalPERS - Retirement	-957.83
04/29/16	21871	Nationwide Retirements Solutions	-15,507.89
04/29/16	21872	CalPERS - Health Insurance	-18,581.35
04/29/16	21873	CalPERS - Retirement	-22,471.08
04/29/16	21874	Dearborn National Life Insurance Company	-304.00
04/29/16	21875	HealthSmart Benefit Solutions, Inc. (VSP)	-320.77
04/29/16	21876	Premier Access Insurance Co.	-3,231.85
04/29/16	21877	CalPERS - Retirement	-650.00
04/29/16	21878	Petty Cash	-33.23
04/29/16	21879	Postmaster	-1,976.57
05/02/16	21880	ANDERSON HOMES	-35.29
05/02/16	21881	ELROY & TERIN ATKNS	-46.20
05/02/16	21882	DAVID & NORMA JEAN FERLAND	-26.48
05/02/16	21883	LUIS A & MARIA F GODINEZ	-36.36
05/02/16	21884	CRAIG & KIMBERLY JARRETT	-48.18
05/02/16	21885	KING RIDGEMARK	-945.13

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
05/02/16	21886	DAVID MCNABB	-37.76
05/02/16	21887	HEATHER NURSEMENT	-36.49
05/02/16	21888	RAM PROPERTY MGMT.	-118.88
05/02/16	21889	JAMES & PATRICIA ROSS	-30.35
05/02/16	21890	DEREK & NADINE STRONG	-49.77
05/02/16	21891	UNDERGROUND CONSTRUCTION CO. INC.	-502.76
05/02/16	21892	Ace Hardware (Johnson Lumber Co.)	-1,440.03
05/02/16	21893	AT&T	-269.54
05/02/16	21894	Auto Tech Service Center, Inc.	-266.23
05/02/16	21895	Corix Water Products	-2,025.22
05/02/16	21896	De Lay & Laredo	-2,000.00
05/02/16	21897	EBCO Pest Control	-55.00
05/02/16	21898	Hach Company	-3,746.52
05/02/16	21899	Hollister Auto Parts, Inc.	-57.40
05/02/16	21900	Interstate All Battery Center	-198.50
05/02/16	21901	J L Wingert Co.	-497.52
05/02/16	21902	Mid Valley Supply	-103.74
05/02/16	21903	Mission Uniform Service	-714.64
05/02/16	21904	O'Reilly Auto Parts	-53.93
05/02/16	21905	Palace Business Solutions	-536.90
05/02/16	21906	Performance Agriculture	-908.50
05/02/16	21907	Power Equipment Co.	-16.00
05/02/16	21908	Razzolink.com	-209.85
05/02/16	21909	San Benito Tire, Inc.	-626.34
05/02/16	21910	Staples Advantage	-104.60
05/02/16	21911	Stargazer Packaging	-631.31
05/02/16	21912	State Water Resources Control Board-DWOCB	-60.00
05/02/16	21913	Verizon Wireless	-816.50
05/02/16	21914	Wright Bros. Indust. Supply	-119.65
05/02/16	21915	Hillebrecht, Robert B	-150.00
05/02/16	21916	Corix Water Products	-1,464.33
05/03/16	21917	Postmaster	-1,234.18
05/09/16	21918	Ace Hardware (Johnson Lumber Co.)	-51.51
05/09/16	21919	AT&T	-391.27
05/09/16	21920	City of Hollister-Finance Dept	-152.70
05/09/16	21921	Enterprise Electrical Services	-85.00
05/09/16	21922	Mark Nicholson, Inc.	-1,121.28
05/09/16	21923	P G & E	-15,508.71
05/09/16	21924	Performance Agriculture	-908.50
05/09/16	21925	Postmaster	-49.20
05/09/16	21926	South Valley Internet, Inc.	-20.45
05/09/16	21927	U.S. Bank Corporate Payment Systems	-3,207.75
Total Disbursements			-1,120,793.72

Director Johnson stated that she met with Finance Manager Cathy Buck on the Allowance of Claims and Ms. Buck answered her questions. Director Johnson did ask Ms. Buck to explain check #21866 payable to State Water Resources Control Board-DWPF in the amount of \$11,531.61. Ms. Buck explained that this is payment for Large Water System Fees for the period of July 1, 2015 through December 31, 2015 which covers permittings, inspections & investigations, compliance, monitoring, compliance tracking and monitoring data review.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 3-0 (Directors Alcorn and Meraz absent), the consent agenda was approved as presented.

G. NEW BUSINESS:

1. CONSIDER AUTHORIZING THE GENERAL MANAGER TO ORDER AND

PURCHASE ONE REPLACEMENT SERVICE TRUCK AT A TOTAL COST OF APPROXIMATELY \$41,170: General Manager/Secretary Ridenhour explained that the District's service vehicles are aging and the financial plan developed as part of the new water and wastewater rates anticipated replacing one vehicle per year of the District's fleet beginning in fiscal year 2013/2014. Staff is requesting authorization to replace one vehicle that will be for fiscal year 2016/2017. Once ordered, the truck will be delivered in approximately 4 months.

The vehicle proposed to be replaced is a 3/4 ton 2000 GMC truck with an odometer reading of approximately 123,000 miles. This truck is aging and replacement will likely result in avoiding the cost of major repairs in the next few years. The District's vehicles are used daily and make many short trips which adds to wear and tear on the vehicle. The miles driven on this vehicle are not highway miles.

The cost of the new truck is approximately \$38,170 including service body installed, tax, and delivery. The light bar, radio installation, and GPS installation adds approximately \$3,000 to the cost of the truck. The existing radio and GPS system will be moved from the existing truck to the new truck. Prices are from the State of California bids and the truck is proposed to be purchased from Elk Grove Auto/Winner Chevrolet who is the State low bid dealership.

President Hill asked why staff only got one bid and did not get bids from local dealerships. General Manager/Secretary Ridenhour explained that the State contracts with dealerships coming in with the lowest price and our local dealerships cannot beat their price. The State bids are dealing in large volume which allows more flexibility on the price.

Upon motion made by Director Johnson, seconded by Director Villalon, and carried 3-0 (Directors Alcorn and Meraz absent), the board authorized the General Manager to order and purchase one replacement service truck at a total cost of approximately \$41,170.

- 2. CONSIDER AUTHORIZING THE GENERAL MANAGER TO PURCHASE 560 FEET OF ALUMINUM PIPE AND FITTINGS FOR WELL NO. 8 FLUSHING FOR A TOTAL COST OF APPROXIMATELY \$8,200:** General Manager/Secretary Ridenhour stated that the District has placed Well No. 8 on standby status with the State Division of Drinking Water due to Chromium 6 levels testing above the new State standards. Chromium 6 levels in tests prior to December 2015 were below the State requirements and staff will continue to test the well quarterly to see if Chromium 6 levels decrease with time due to groundwater level changes or other unknown factors. Staff plans to operate and exercise the well daily without putting the water into the distribution system. This operation plan will require approximately 560 feet of 6" irrigation pipe to discharge the water to an irrigation pond operated by the Ridgemark Country Club. Ridgemark Country Club staff have agreed to allow the District to discharge the water from Well No. 8 into one of their ponds and this will allow the well to stay in good operational condition and allow additional water quality testing. There is no other location near Well No. 8 to discharge the water responsibly.

The District looked into renting irrigation pipe and received quotes from another supplier. Renting pipe was approximately \$562 per month and charges would include \$2,900 in delivery and pickup charges resulting in a \$9,644 expense for a one year rental. Staff anticipates operating Well No. 8 and discharging water to the Ridgemark pond for at least a year to determine if water quality in the well improves. Purchase quotes from another supplier were approximately \$2,800 higher than the attached quote from Brigantino Irrigation.

Upon motion made by Director Villalon, seconded by Director Johnson, and carried 4-0 (Director Alcorn arrived during discussion, and Director Meraz absent), the board authorized the General Manager to purchase 560 feet of aluminum pipe and fittings for Well No. 8 flushing for a total cost of approximately \$8,200.

3. RECEIVE AN UPDATE ON THE PRE-DESIGN AND ROUTE OF THE CROSS-TOWN PIPELINE FOR DELIVERING WATER FROM THE WEST HILLS WATER TREATMENT PLANT TO SUNNYSLOPE COUNTY WATER DISTRICT:

General Manager/Secretary Ridenhour explained that HDR has begun the pre-design of the Cross-Town Pipeline and progress has been made on the route of the pipeline. City of Hollister and District staff have met with the developers of the Ladd Ranch Subdivision on Southside Road and have reached a tentative deal on the installation of the pipeline through their project in the next three months. Ladd Ranch Subdivision is preparing plans and a cost estimate to install 2,300 lineal feet of 16” diameter pipe in Southside Road from San Benito Street to Ladd Lane. The City is preparing a reimbursement agreement for the pipeline installation and anticipates taking the agreement to the City Council in early June. City staff will propose the City cover the initial cost and reimbursement to the developer. This cost will be considered in the final cost sharing of the Cross-Town Pipeline Project between the City and Sunnyslope County Water District.

A Cross-Town Pipeline route has been proposed through San Benito High School and the route is being discussed with High School staff. Presentations to the San Benito High School Board is anticipated in the next few months. Utilities have been located along other potential routes to assist with selection of the most cost effective pipeline route for project.

The cost of the pre-design of the Cross-Town Pipeline is approximately \$230,000 with the District’s share not to exceed approximately \$115,000. The final design, environmental review, and construction cost will be developed as part of the pre-design. The cost sharing percentage between the City of Hollister and the District will also be determined as part of the pre-design.

H. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** No meeting held.
2. **Water/Wastewater Committee:** No meeting held.
3. **Finance Committee:** No meeting held.
4. **Policy and Procedure Committee:** No meeting held .
5. **Personnel Committee:** No meeting held.
6. **Water Resources Association of San Benito County (WRA):** No meeting held.
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 April 30, 2016), Statement of Income (thru March 31, 2016), and Investment Summary (thru April 30, 2016).

Director Villalon stated he was a little confused about the decrease in sewer revenue in

regard to April being the month when the sewer rate factor is adjusted. Ms. Buck reminded Director Villalon that the District's sewer rate is a combination of a fixed rate and a variable rate component. The variable component is based on the amount of water used for the February and March billing cycles, averaged for the two months then multiplied by the variable factor which is then added to the fixed rate and that becomes the new sewer rate for the next year. Ms. Buck added that with new customers moving into the District, the sewer rate will start out lower due to not having water usage history to base the variable rate.

Director Johnson stated that although she appreciates Ms. Buck's great job on preparing the Narrative Report, there is some confusion in reading the report without looking specifically at the Statement of Income spreadsheet. Ms. Buck replied that she will be more aware of the wording used in the Narrative Report as she tries to explain that while we are showing a net income for the current year, the net income includes rate stabilization revenue, which is temporary, and includes capacity fees, which are reserved for future capital needs.

The District's Investment Summary report reflects the total cash balance as of April 30, 2016 of \$10,349,424.74, which includes eleven-months posted interest totaling \$21,993.94. Ms. Buck reported that on May 9th another \$500,000.00 was transferred from the Union Bank checking account to the LAIF investment account.

Water/Wastewater Superintendent Jim Filice was absent from the meeting but General Manager/Secretary Ridenhour stated that he would do his best to answer any questions on the April 2016 Maintenance Staff Report. Director Villalon had several questions regarding the continuing education webinars that the maintenance personnel receive here at the District office, and if they are adequately trained to use the various equipment and machinery. General Manager/Secretary Ridenhour explained that Jim Filice and Pat Jackson are very responsible at providing staff with the necessary training, not only for safety reasons but for continuing education required for license maintenance as well.

President Hill inquired about #9, regarding the block heater on the Well 11 Generator not working and contacting Quinn CAT to make the repair. President Hill asked if this was to prevent the generator from freezing up in the cold weather and General Manager/Secretary Ridenhour responded that is correct.

In review of the Meter Reading Report for the period March 15, 2016 to April 14, 2016, the intertie meter data indicates the City received 29.3% of Lessalt Water Treatment Plant water, while the District received 70.7%.

General Manager/Secretary Ridenhour stated that there was nothing new to report on the groundwater level report.

Active Tasks Update: General Manager/Secretary Ridenhour reported that the District's conservation numbers are above the State's mandated 43.7% reduction in April and conservation since June, 2015 is 32.8%. Mandated water conservation measures by the State are expected to be reduced and/or modified. Revised water conservation measures are expected to be adopted on May 18th possibly changing the mandates to allow Public Agency's to set their own regulations based on each agency's status.

General Manager/Secretary Ridenhour stated that once the State adopts their mandate for water conservation, agencies will be required to certify their water conservation regulations by June 15th. The Board agreed to hold a special board meeting on June 8th at 5:15 p.m. to adopt and approve a new resolution.

General Manager/Secretary Ridenhour reported on attending the ACWA Conference in Monterey on May 4th and 5th. He attended the Delta Fix Update, Sustainable Groundwater Management Act (SGMA), Drought Emergency Regulations, Water Transfers, and Region 5 programs.

General Manager/Secretary Ridenhour stated that the Delta Fix Update and the Water Transfers programs both discussed the fact that the Delta has plenty of water to share, but the difficulty is moving the water and meeting environmental concerns.

General Manager/Secretary Ridenhour informed the Board that he will be working with the City of Hollister to devise a compliance plan to correct the violation the City received from the State on their disinfection by-products violation. Mr. Ridenhour stated that the City solicited proposals for the plan, but proposal costs were extremely high and he felt that with help from Sunnyslope staff and the City of Hollister staff, he would be able to create a plan to bring the City back into compliance.

I. BOARD and STAFF REPORTS

- 1. Directors:** Director Johnson and President Hill each submitted a written report on attending the ACWA/JPIA Conference in Monterey May 3-6, 2016. Director Johnson attended Water: Scarcity: Can Agriculture Survive? How it Impacts You; and Groundwater Sustainability Agency Formation. President Hill attended Planning for the Future; and Solar Energy – Peaking Your Interest.

Director Villalon reported that as the JPIA alternate representative, he attended the JPIA meeting on May 2nd in Monterey for the AWAC/JPIA Spring Conference. Director Villalon also reported that he will be out of town June 9th – June 13th and may be having surgery in mid-June.

Director Johnson reported that she will miss both the June and July Board meetings as she will be doing some missionary work with her church, out of the country.

- 2. District Counsel:** No report.
- 3. Finance and Human Resource Manager:** No report.
- 4. Assistant Engineer:** No report.
- 5. General Manager:** No report.

J. FUTURE AGENDA ITEMS: FY 16-17 Budget.

K. ADJOURNMENT: President Hill adjourned the meeting at 6:27 p.m.

APPROVED BY THE BOARD: *s/ Kathleen A. Hill*

Kathleen A. Hill, President

RESPECTFULLY SUBMITTED: *s/ Donald G. Ridenhour*

Donald G. Ridenhour, Secretary