

**MINUTES  
BOARD OF DIRECTORS  
SUNNYSLOPE COUNTY WATER DISTRICT  
November 15, 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; Mike Alcorn, Judi Johnson, Dave Meraz, and Danny Villalon.
- C. PLEDGE OF ALLEGIANCE:** President Hill 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 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 Assistant Engineer Rob Hillebrecht.

**F. CONSENT AGENDA:**

1. Approval of Minutes – for the Regular Meeting of October 18, 2016.
2. Allowance of Claims– to ratify disbursements for the period from October 11, 2016 through November 7, 2016, totaling \$760,056.05 which includes \$417,315.05 for payments to vendors and employees, \$340,794.12 paid to the City of Hollister for amounts collected from their customer’s for City sewer billings net of our fees, and \$1,946.88 for customer refunds and deductions for customer checks returned for insufficient funds. The last check written as of November 7, 2016 was check #22501.

The list of disbursements is as follows:

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
10/14/16	ACH 0878	EFTPS	-158.40
10/18/16	ACH 0879	RETURNED ACH (Ret. ACH 10-01)	-175.53
10/19/16	ACH 0880	RETURNED ACH (Ret. ACH 10-02 thru 10-06)	-849.29
10/19/16	ACH 0881	RETURNED CHECK (Ret. Ck 10-01)	-420.00
10/31/16	ACH 0882	EFTPS	-21,556.82
10/25/16	ACH 0883	RETURNED CHECK (Ret. Ck 10-02 and 10-03)	-307.29
11/03/16	ACH 0884	Merchant Services	-954.69
11/03/16	ACH 0885	Merchant Services	-1,008.96
10/14/16	DD 1762	Alcorn, Michael H	-92.35
10/14/16	DD 1763	Hill, Kathleen A	-92.35
10/14/16	DD 1764	Johnson, Judi H	-378.37
10/14/16	DD 1765	Meraz, David E	-92.35
10/14/16	DD 1766	Villalon, Daniel	-159.70
10/31/16	DD 1767	Alvarez, Abel	-4,507.88
10/31/16	DD 1768	Brill, Kelly L.	-4,437.21
10/31/16	DD 1769	Buck, Cathy L.	-6,562.42
10/31/16	DD 1770	Castro, Kevin G.	-4,671.25
10/31/16	DD 1771	Chavez, Jr., Manuel T.	-6,628.56

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
10/31/16	DD 1772	Eclarin, Ernesto P.	-4,901.67
10/31/16	DD 1773	Filice, James L.	-7,014.15
10/31/16	DD 1774	Hagins, Patrick M.	-4,523.69
10/31/16	DD 1775	Hillebrecht, Robert B	-3,819.70
10/31/16	DD 1776	Jackson, Patrick W.	-5,312.68
10/31/16	DD 1777	Malko, Kim A.	-3,139.40
10/31/16	DD 1778	Norman, III, Walter R.	0.00
10/31/16	DD 1779	Padilla, David	-5,497.22
10/31/16	DD 1780	Porteur, Carol A.	-4,223.56
10/31/16	DD 1781	Quick, Troy E	-5,182.43
10/31/16	DD 1782	Ridenhour, Donald G	-10,175.44
10/31/16	DD 1783	Sanchez, Ricardo A	-4,160.61
10/31/16	DD 1784	Watson, Scott A.	-5,193.15
10/31/16	DD 1785	Zavala, Anabel G.	-4,403.19
10/17/16	22418	All Star Ready Mix, LLC	-1,012.08
10/17/16	22419	Animal Damage Management	-370.00
10/17/16	22420	Bracewell Engineering, Inc.	-126.00
10/17/16	22421	Brenntag Pacific, Inc.	-2,102.33
10/17/16	22422	City of Hollister-Finance Dept	-340,794.12
10/17/16	22423	CM Analytical, Inc.	-14,632.50
10/17/16	22424	EBCO Pest Control	-55.00
10/17/16	22425	John Smith Road Landfill	-274.84
10/17/16	22426	Performance Agriculture	-1,454.75
10/17/16	22427	Ryan Herco Flow Solutions	-673.07
10/17/16	22428	San Benito County Water District	-364.25
10/17/16	22429	San Benito County Water District-Pumping	-17,068.05
10/17/16	22430	Toro Petroleum Corp.	-1,291.05
10/17/16	22431	Trans Union LLC	-104.63
10/17/16	22432	Wright Bros. Welding & Sheet Metal, Inc.	-370.81
10/24/16	22433	Alvarez, Abel	-150.00
10/24/16	22434	A-1 Services	-403.00
10/24/16	22435	Brenntag Pacific, Inc.	-1,366.73
10/24/16	22436	De Lay & Laredo	-2,100.00
10/24/16	22437	Hach Company	-1,205.99
10/24/16	22438	Mc Kinnon Lumber Co., Inc.	-73.88
10/24/16	22439	Radio Shack (Crystal T.V.)	-41.20
10/24/16	22440	San Benito County-Tax Collector	-869.39
10/24/16	22441	Toro Petroleum Corp.	-676.53
10/31/16	22442	Employment Dev. Dept. (EDD) DE88 Pmts.	-7,841.84
10/31/16	22443	CalPERS - Retirement	-1,036.00
10/31/16	22444	CalPERS - Retirement	-1,019.53
10/31/16	22445	Nationwide Retirements Solutions	-13,807.89
10/31/16	22446	CalPERS - Health Insurance	-16,504.30
10/31/16	22447	CalPERS - Retirement	-23,075.22
10/31/16	22448	Dearborn National Life Insurance Company	-304.00
10/31/16	22449	HealthSmart Benefit Solutions, Inc. (VSP)	-320.77
10/31/16	22450	Premier Access Insurance Co.	-3,231.85
10/24/16	22451	Postmaster	-204.73
10/31/16	22452	MEL & ANNETTE ANGEL	-15.21
10/31/16	22453	MICHELE M CANELA	-150.48
10/31/16	22454	ANDY COTTRELL	-19.55
10/31/16	22455	KENNETH GROEN	-9.53
10/31/16	22456	Porteur, Carol A.	-104.69
10/31/16	22457	Animal Damage Management	-185.00
10/31/16	22458	Brenntag Pacific, Inc.	-6,786.17
10/31/16	22459	Brigantino Irrigation	-208.04
10/31/16	22460	Ferguson Enterprises, Inc.	-253.01
10/31/16	22461	Harper & Associates Engineering, Inc.	-8,850.00
10/31/16	22462	Konica Minolta Premier Finance	-417.72
10/31/16	22463	Mc Master-Carr	-386.65

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
10/31/16	22464	McGilloway, Ray, Brown & Kaufman	-7,875.00
10/31/16	22465	Mid Valley Supply	-518.69
10/31/16	22466	New SV Media, Inc. (was So Valley Newsp)	-100.00
10/31/16	22467	Palace Business Solutions	-110.19
10/31/16	22468	Petty Cash	-40.15
10/31/16	22469	Postmaster	-1,923.67
10/31/16	22470	Quinn Company	-2,502.16
10/31/16	22471	Ryan Herco Flow Solutions	-345.30
10/31/16	22472	San Benito County Water District	-99,896.67
10/31/16	22473	San Benito Tire, Inc.	-739.00
10/31/16	22474	Staples Advantage	-366.10
10/31/16	22475	Stargazer Packaging	-552.40
10/31/16	22476	Toro Petroleum Corp.	-58.53
10/31/16	22477	Verizon Wireless	-650.29
10/31/16	22478	Wright Bros. Indust. Supply	-54.83
10/31/16	22479	Wright Bros. Welding & Sheet Metal, Inc.	-894.50
11/07/16	22480	Ace Hardware (Johnson Lumber Co.)	-701.79
11/07/16	22481	Al's Septic Tank Service	-475.00
11/07/16	22482	All Star Ready Mix, LLC	-1,034.40
11/07/16	22483	Animal Damage Management	-185.00
11/07/16	22484	AT&T	-472.40
11/07/16	22485	City of Hollister-Finance Dept	-118.69
11/07/16	22486	CM Analytical, Inc.	-1,990.00
11/07/16	22487	Corix Water Products	-2,939.67
11/07/16	22488	Hach Company	-989.40
11/07/16	22489	Hollister Auto Parts, Inc.	-247.64
11/07/16	22490	Mark Nicholson, Inc.	-7,858.80
11/07/16	22491	Maverick Welding Supply, Inc.	-19.41
11/07/16	22492	Mission Uniform Service	-714.64
11/07/16	22493	O'Reilly Auto Parts	-57.22
11/07/16	22494	P G & E	-28,237.24
11/07/16	22495	Radio Shack (Crystal T.V.)	-279.01
11/07/16	22496	Razzolink.com	-212.85
11/07/16	22497	Recology San Benito County	-128.51
11/07/16	22498	San Benito County Water District	-375.00
11/07/16	22499	South Valley Internet, Inc.	-20.45
11/07/16	22500	U.S. Bank Corporate Payment Systems	-3,433.48
11/07/16	22501	Wright Bros. Welding & Sheet Metal, Inc.	-25.28
<b>Total Disbursements</b>			<b><u>-760,056.05</u></b>

Director Johnson inquired about ACH 0884 and 0885 to Merchant Services and Ms. Buck explained that these two charges are monthly credit card processing fees. One charge is for the terminal at the front desk and the other is for processing through a web based program on the account technician's computers.

President Hill inquired about the various checks issued to San Benito County Water District (SBCWD) and Cathy Buck explained that the various checks are for water pumped from zone 3; fees we are required to pay SBCWD for pumping water from our own wells; the District's share of Lessalt and West Hills Water Treatment Plant costs per the water supply and treatment agreement; and the Hollister Urban Area Water Master Plan update for the expense of Harry Blohm's time.

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

## **G. NEW BUSINESS:**

1. **RECEIVE AUDIT REPORT/PRESENTATION BY PATRICIA KAUFMAN, CPA/PARTNER, WITH MCGILLOWAY, RAY, BROWN & KAUFMAN ON JUNE 30, 2016 AUDIT:** Patricia Kaufman, CPA/Partner, with McGilloyay, Ray, Brown, & Kaufman began her presentation by stating that the District received an unmodified audit opinion, which is the highest level and the best opinion one can receive, and noted that it deserves acknowledgement and praise to the District's management.

While reviewing the Statement of Net Positions, Ms. Kaufman pointed out that the change in capital assets is mainly due to capital contribution; two new subdivisions were added to the water system and the donation of land and water tank from the City of Hollister.

Ms. Kaufman stated that the sensitive financial statement disclosures implemented GASB 72; Note 11-Pension Plan implemented GASB 68 and GASB 71; there were no difficulties encountered in performing the audit; no auditor adjusting journal entries were required; there were no disagreements with management; and there were no management consultations with other independent accountants.

A variety of questions were asked by Board members which Cathy Buck and Ms. Kaufman explained to the Board's satisfaction.

Upon motion made by Director Alcorn, seconded by Director Meraz, and carried 5-0, the Board accepted the June 30, 2016 financial statements for Sunnyslope County Water District audited by the accounting firm, McGilloyay, Ray, Brown & Kaufman.

## **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 October 31, 2016), Statement of Income (thru September 30, 2016), and Investment Summary (thru October 31, 2016).

Ms. Buck reported that the District has received seven water capacity fees in October 2016, bringing the total to forty-six for this fiscal year, compared to a total of four water capacity fees for last fiscal year.

This year's total water revenue for four months is \$1,970,294 compared to \$1,473,975 last fiscal year, which represents an increase of \$496,319 (or 33.7%) in water sales revenue year over year.

Ms. Buck stated that sewer fee revenue is down \$11,888 (or -6.9%) compared to October 2015.

The District's Investment Summary report reflects the total cash balance as of October 31, 2016 of \$9,998,579.11, which includes posted interest totaling \$16,491.33 (Four months interest on the CDs, and third quarter interest on the LAIF investment that posted in October).

Water/Wastewater Superintendent Jim Filice reported on the October 2016 Maintenance Staff Report, and asked the Board if there were any questions.

Director Villalon inquired about #7, shut down main and rebuilt the fire hydrant at 2550 Fairview Road. He asked if that was reported to the District or if it was found during the flushing process. Mr. Filice responded that it was found during the flushing.

In review of the Meter Reading Report for the period of September 14, 2016 to October 17, 2016, the intertie meter data indicates the City received 6.7% of Lessalt Water Treatment Plant water, while the District received 93.3%. Mr. Filice reported that the City is continuing to pay back water to the District.

Water/Wastewater Superintendent Jim Filice reported on the groundwater level report stating that the levels are still trending down.

8. **Active Tasks Update:** General Manager Secretary Ridenhour reported that the District's water conservation numbers are above the State's mandates at 19.6% in October.

Door hangers were distributed in October to our sewer customers to try and get more water softeners removed. Mr. Ridenhour reported that fourteen softeners were removed in October.

Discussions with the High School for the cross town pipeline easement continue. The San Benito High School Board, the City, and County approved an agreement for a roadway around the high school that will help with the District's pipeline easement negotiations. Mr. Ridenhour added that the closure of Nash Road during school hours has been approved.

Work on the filter structure at the West Hills Water Treatment Plant is nearly complete, chemical tanks have been installed, and the operation building and shop building are under construction. The project construction is currently five months ahead of schedule and startup could happen as early as June 2017.

General Manager/Secretary Ridenhour reported that advertising has been done for the Water Treatment Plant Operators and Electrician/Instrument Technician positions and the District is receiving applications. The application deadline is December 1<sup>st</sup>. Director Johnson asked where the District was advertising and Mr. Ridenhour replied that ads have been placed with the San Jose Mercury News, The Freelance, Jobs Available, Brown and Caldwell News, and has been emailed to an instructor at Gavilan College. Cathy Buck reported that the District has received fourteen applications to date.

District staff has met and continue to exchange information with Venture Estates and Department of Drinking Water staff, to discuss their connection to the District. Chromium 6 issues in Venture Estates well have renewed their efforts to connect to the District.

Mr. Ridenhour stated that Santana Ranch and The Villages developments continue to add additional connections to the District's system, and additional development is lining up for next year.

**I. BOARD and STAFF REPORTS**

1. **Directors:** No report.
2. **District Counsel:** No report.
3. **Finance and Human Resource Manager:** No report.
4. **Assistant Engineer:** No report.
5. **General Manager:** General Manager/Secretary Ridenhour thanked President Hill for her years of service as a Board of Director on the Sunnyslope County Water District's Board. President Hill's term expires at the end of November and this is her last District Board Meeting.

**J. FUTURE AGENDA ITEMS:** Selection of Board President, Vice-President, and committee assignments; agreement with School District for a communication antenna on the Fairview Tanks; and a work experience program agreement with the County.

**K. ADJOURNMENT:** President Hill adjourned the meeting at 6:35 p.m.

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

Kathleen A. Hill, President

**RESPECTFULLY SUBMITTED:** s/ Donald G. Ridenhour

Donald G. Ridenhour, Secretary