

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
October 16, 2018

- A. CALL TO ORDER:** The meeting was called to order at 5:15 p.m. by President Johnson, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.
- B. ROLL CALL: Present:** President Judi Johnson, Director Mike Alcorn, Director Robert J. Rodriguez II, Director Ann Ross, and Director Honor Spencer.
- C. PLEDGE OF ALLEGIANCE:** President Johnson asked Finance & Human Resource Manager Cathy Buck to lead Directors, staff, and public in the Pledge of Allegiance, which she then so did.
- D. APPROVAL OF AGENDA:** Upon motion made by Director Ross, seconded by Director Alcorn, 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, Water/Wastewater Superintendent Jim Filice, Finance and Human Resource Manager Cathy Buck, and Associate Engineer Rob Hillebrecht.

F. CONSENT AGENDA:

1. Approval of Minutes – The Board reviewed the minutes for the Regular Meeting of September 18, 2018.
2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of September 11, 2018 through October 8, 2018, totaling \$2,178,400.31, which includes \$1,827,520.92 for payments to vendors and employees, \$344,649.45 paid to the City of Hollister for net City sewer billings, and \$ 6,229.94 for customer refunds and checks returned. The last check written was check #26177.

Date	Number	Name	Amount
09/18/18	ACH 1248	RETURNED ACH (ACH Ret 09-01)	\$ -134.45
09/18/18	ACH 1249	RETURNED ACH (ACH Ret 09-02)	-1,107.14
09/18/18	ACH 1250	RETURNED ACH (ACH Ret 09-03)	-238.16

Date	Number	Name	Amount
09/19/18	ACH 1251	RETURNED ACH (ACH Ret 09-04)	-143.73
09/19/18	ACH 1252	RETURNED ACH (ACH Ret 09-05)	-109.94
09/19/18	ACH 1253	RETURNED ACH (ACH Ret 09-06)	-181.65
09/19/18	ACH 1254	RETURNED ACH (ACH Ret 09-07)	-326.17
09/19/18	ACH 1255	RETURNED ACH (ACH Ret 09-08)	-630.21
09/19/18	ACH 1256	RETURNED ACH (ACH Ret 09-09)	-78.34
09/19/18	ACH 1257	RETURNED ACH (ACH Ret 09-10)	-139.06
09/19/18	ACH 1258	RETURNED ACH (ACH Ret 09-11)	-208.97
09/19/18	ACH 1259	RETURNED ACH (ACH Ret 09-12)	-158.85
09/21/18	ACH 1260	RET EFT (ACH EFT 09-01)	-211.08
09/28/18	ACH 1261	CalPERS - Retirement	-1,036.00
09/28/18	ACH 1262	CalPERS - Retirement	-2,291.75
09/28/18	ACH 1263	CalPERS - Retirement	-29,353.70
09/28/18	ACH 1264	CalPERS - Health Insurance	-15,391.57
09/28/18	ACH 1265	EFTPS	-26,982.30
09/28/18	ACH 1266	Employment Dev. Dept. (EDD) DE88 Pmts.	-11,404.02
09/24/18	ACH 1267	ACH number used for a Deposit	0.00
10/03/18	ACH 1268	Merchant Services	-2,189.79
09/28/18	DD 2356	Alvarez, Abel	-5,179.60
09/28/18	DD 2357	Bernal, Melissa M	-2,554.87
09/28/18	DD 2358	Boltz, William K	-7,221.11
09/28/18	DD 2359	Brill, Kelly L.	-4,724.63
09/28/18	DD 2360	Buck, Cathy L.	-6,433.74
09/28/18	DD 2361	Burbank, Jr., Dee J.	-5,141.11
09/28/18	DD 2362	Castro, Kevin G.	-5,140.88
09/28/18	DD 2363	Chavez, Jr., Manuel T.	-8,248.55
09/28/18	DD 2364	Eclarin, Ernesto P.	-6,491.76
09/28/18	DD 2365	Filice, James L.	-7,444.39
09/28/18	DD 2366	Hagins, Patrick M.	-4,514.25
09/28/18	DD 2367	Hernandez, Bazilio	-5,771.09
09/28/18	DD 2368	Hillebrecht, Robert B.	-4,794.70
09/28/18	DD 2369	Jackson, Patrick W.	-5,902.45
09/28/18	DD 2370	Malko, Kim A.	-3,454.90
09/28/18	DD 2371	Norman, III, Walter R.	-5,325.24
09/28/18	DD 2372	Padilla, David	-5,895.37
09/28/18	DD 2373	Porteur, Carol A.	-4,376.48
09/28/18	DD 2374	Quick, Troy E.	-5,866.23
09/28/18	DD 2375	Ridenhour, Donald G.	-10,661.74
09/28/18	DD 2376	Sanchez, Ricardo A.	-5,553.42
09/28/18	DD 2377	Watson, Scott A.	-6,545.72
09/28/18	DD 2378	Zavala, Anabel G.	-4,366.56
09/17/18	26078	CHAMPERY REAL ESTATE 2015	-130.59
09/17/18	26079	WILLIS DOOLING	-279.07

Date	Number	Name	Amount
09/17/18	26080	TOSHIKO & TOM IWANAGA	-223.94
09/17/18	26081	LINDA & RONALD KING	-86.60
09/17/18	26082	MARIA & ANA MENDEZ	-49.90
09/17/18	26083	ROBERT J & ARACELI RODRIGUEZ	-259.79
09/17/18	26084	LAURA RUSSELL	-27.39
09/17/18	26085	AT&T	-85.83
09/17/18	26086	B.S.K. Analytical Laboratories, Inc.	-225.00
09/17/18	26087	Bartel Associates, LLC	-3,250.00
09/17/18	26088	Bianchi Kasavan & Pope, LLP	-279.00
09/17/18	26089	Bracewell Engineering, Inc.	-126.00
09/17/18	26090	Brenntag Pacific, Inc.	-17,515.07
09/17/18	26091	Calgon Carbon Corporation	-44,455.00
09/17/18	26092	City of Hollister-Finance Dept	-344,649.45
09/17/18	26093	De Lay & Laredo	-2,100.00
09/17/18	26094	Downtown Automotive	-293.50
09/17/18	26095	EBCO Pest Control	-60.00
09/17/18	26096	Geotechnical Consultants, Inc.	-12,949.00
09/17/18	26097	Green Valley Farm Supply, Inc	-807.00
09/17/18	26098	John Smith Road Landfill	-2,057.02
09/17/18	26099	Kennedy/Jenks Consultants	-10,924.54
09/17/18	26100	Mc Master-Carr	-56.05
09/17/18	26101	OnTrac	-10.91
09/17/18	26102	San Benito County Water District	-439.75
09/17/18	26103	Staples Advantage	-363.47
09/17/18	26104	Toro Petroleum Corp.	-305.17
09/17/18	26105	Trans Union LLC	-150.65
09/17/18	26106	Water System Optimization, Inc.	-2,500.00
09/17/18	26107	Wright Bros. Indust. Supply	-4.99
09/17/18	26108	Wright Bros. Welding & Sheet Metal, Inc.	-1,868.36
09/17/18	26109	City of Hollister-Finance Dept	-21.90
09/24/18	26110	A-1 Services	-403.00
09/24/18	26111	Auto Tech Service Center, Inc.	-42.33
09/24/18	26112	Bianchi Kasavan & Pope, LLP	-69.71
09/24/18	26113	Brenntag Pacific, Inc.	-8,592.66
09/24/18	26114	CM Analytical, Inc.	-9,388.75
09/24/18	26115	Downtown Automotive	-56.75
09/24/18	26116	First Trust Alarm Company	-698.00
09/24/18	26117	Hach Company	-1,707.20
09/24/18	26118	Konica Minolta Premier Finance	-412.91
09/24/18	26119	Specialty Construction Inc.	-815,806.32
09/24/18	26120	Sunnyslope County Water - Retainage	-42,937.18
09/24/18	26121	Toro Petroleum Corp.	-1,817.20
09/24/18	26122	Transene Company Inc (Shape Products)	-147.39

Date	Number	Name	Amount
09/28/18	26123	Nationwide Retirements Solutions	-23,256.08
09/28/18	26124	United Way of San Benito County	-150.00
09/28/18	26125	Dearborn National Life Insurance Company	-368.00
09/28/18	26126	HealthSmart Benefit Solutions, Inc. (VSP)	-303.01
09/28/18	26127	Premier Access Insurance Co.	-3,078.46
09/24/18	26128	Postmaster	-180.91
09/28/18	26129	Petty Cash	-18.84
09/28/18	26130	Postmaster	-2,041.31
10/01/18	26131	ELY & BETH ALBALOS	-18.63
10/01/18	26132	DEE J & MADELENNE BURBANK	-189.22
10/01/18	26133	OTTO CONSTRUCTION	-537.26
10/01/18	26134	LAURA RUSSELL	-117.61
10/01/18	26135	Ace Hardware (Johnson Lumber Co.)	-1,195.14
10/01/18	26136	Animal Damage Management	-275.00
10/01/18	26137	AT&T	-474.68
10/01/18	26138	Auto Tech Service Center, Inc.	-3,500.00
10/01/18	26139	Brenntag Pacific, Inc.	-5,597.21
10/01/18	26140	Brigantino Irrigation	-69.25
10/01/18	26141	Central Ag Supply LLC	-1,642.59
10/01/18	26142	Hach Company	-717.54
10/01/18	26143	Hollister Auto Parts, Inc.	-167.54
10/01/18	26144	Mc Gilloway, Ray, Brown & Kaufman	-13,510.00
10/01/18	26145	Mc Master-Carr	-30.69
10/01/18	26146	Mission Uniform Service	-851.13
10/01/18	26147	O'Reilly Auto Parts	-78.00
10/01/18	26148	Palace Business Solutions	-985.13
10/01/18	26149	Quinn Company	-777.82
10/01/18	26150	Razzolink.com	-76.95
10/01/18	26151	RB Communications	-40.00
10/01/18	26152	San Benito Tire Pros & Automotive	-205.07
10/01/18	26153	South Valley Internet, Inc.	-20.45
10/01/18	26154	Verizon Wireless	-294.64
10/01/18	26155	Postmaster	-62.60
10/08/18	26156	Hernandez, Bazilio	-20.11
10/08/18	26157	Ace Hardware (Johnson Lumber Co.)	-191.29
10/08/18	26158	ACWA/JPIA	-13,607.54
10/08/18	26159	AT&T	-536.86
10/08/18	26160	Auto Tech Service Center, Inc.	-930.00
10/08/18	26161	Bracewell Engineering, Inc.	-126.00
10/08/18	26162	Brenntag Pacific, Inc.	-8,220.70
10/08/18	26163	City National Bank	-168,881.16
10/08/18	26164	Hach Company	-185.49
10/08/18	26165	Mark Nicholson, Inc.	-8,904.00

Date	Number	Name	Amount
10/08/18	26166	Mc Master-Carr	-120.36
10/08/18	26167	O'Reilly Auto Parts	-5.29
10/08/18	26168	P G & E	-21,564.85
10/08/18	26169	Pinnacle Agriculture	-731.49
10/08/18	26170	San Benito County Water District	-329,875.92
10/08/18	26171	Toro Petroleum Corp.	-1,737.05
10/08/18	26172	U.S. Bank Corporate Payment Systems	-2,644.48
10/08/18	26173	USA Blue Book	-186.01
10/08/18	26174	Veolia Water Technologies	-5,898.75
10/08/18	26175	ABE & MARLAYNE ASSADI	-246.34
10/08/18	26176	JAMES & TERRY BEVERIDGE	-159.54
10/08/18	26177	KEN STERN	-236.31
			\$ -2,178,400.31

3. Authorize the Annual Maintenance Expense with Suez Analytical Instruments for Servicing the Total Organic Carbon Analyzers at the West Hills and Lessalt Water Treatment Plants for an amount not to exceed \$11,760 (Not a project under CEQA per Article 20, Section 15378).

Regarding Consent Agenda Item #2, President Johnson stated that she met with Finance/Human Resource Manager Cathy Buck earlier and inquired about a few items on the disbursement list which were explained. President Johnson did want Associate Engineer Rob Hillebrecht to explain check #26106, payable to Water System Optimization, Inc. in the amount of \$2,500. Mr. Hillebrecht explained that the California State Water Resources Control Board passed Senate Bill 555, which mandates a water loss audit be performed annually by urban water suppliers to meet performance standards for the volume of water losses. The audit is then required to be reviewed by a third party, and Water System Optimization, Inc. is the company the District used for this service. Director Ross then inquired about whether this water loss audit takes into consideration the water lost between the Districts main and the customer's service. Ms. Buck explained that there are always timing differences between when all of the various water meters are read, and the reported water sold, creating a water loss. She noted that the system water loss, including these timing differences, is tracked and reported on the monthly Operations Summary.

Upon motion made by Director Rodriguez, seconded by Director Ross 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 FOR THE JUNE 30, 2018 AUDIT (Not a project under CEQA per Article 20, Section 15378):**

Finance/Human Resource Manager Cathy Buck introduced Patricia Kaufman, CPA/Partner, with McGilloway, Ray, Brown, & Kaufman. Ms. 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 she noted that it deserves acknowledgement and praise to the District's management.

Ms. Kaufman started her discussion with of the Statement of Position, and pointed out the current assets increase of \$2,904,062 from last year is mainly due to an increase in LAIF investments, primarily a result of the income from operation and capacity fees collected. Ms. Kaufman commented that the deferred outflows of resources decreased \$522,961 due mainly to the prior year \$1.65 million additional contribution, offset by the \$1.2 million change in the difference between the District's contributions and the District's proportionate share of contributions. Regarding the District's pension liability, Ms. Kaufman stated that the CalPERS Pool's total net pension liability has increased from prior year, but the District's proportionate share decreased due to the District paying the additional contribution of \$1.65 million toward its unfunded liability. Ms. Kaufman commended the District in the decision to pay the early contribution.

In her discussion of the Statement of Revenues, Expenses, and Changes in Net Position for the current fiscal year, Ms. Kaufman noted that operating revenues increased mainly due to an increase in the water rate and the number of water customers served, noting that there was an increase of 223 customers this fiscal year. She also noted that the District had \$191,502 in contributed assets, which was a result of accepting the infrastructures of two completed subdivisions.

Ms. Kaufman went on to note that the District has no significant audit findings, has recognized all significant transactions in the financial statements in the proper period, has presented all required sensitive financial statement disclosures, that her audit team encountered no difficulties in performing the audit, that no auditor adjusting entries were needed (a rare occurrence), and there were no disagreements with management. The District also implemented the new GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, as required, and has made all required supplementary disclosures.

Upon motion made by Director Ross, seconded by Director Rodriguez, and carried 5-0, the Board accepted the June 30, 2018 audited financial statements for Sunnyslope County Water District and presentation by Ms. Kaufman, partner in the accounting firm, McGilloway, Ray, Brown & Kaufman.

2. CONSIDER AUTHORIZING A NEW AGREEMENT FOR LEGAL SERVICES WITH DE LAY & LAREDO ATTORNEYS AT LAW THROUGH NOVEMBER 20,

2021. (Not a project under CEQA per Article 20, Section 15378): General Manager/Secretary Ridenhour explained that the District first entered into a legal services agreement with De Lay & Laredo beginning November 20, 2012. A new agreement was entered into in 2015, and that agreement is set to expire on November 20, 2018. David Laredo started as the District's primary legal counsel, but due to a shift in Board Meeting dates creating a scheduling conflict for Mr. Laredo, Heidi Quinn took over as the primary legal counsel. Staff has been extremely happy with the services provided by Heidi Quinn, David Laredo, and other members of the law firm over the last six years. They are prompt when asked for assistance and have given excellent legal advice when reviewing District agreements, policies, and other documents. The current charges for legal service per the existing agreement are \$2,100 per month for up to 12 hours of legal services, and \$245 per hour for services beyond 12 hours. De Lay and Laredo exceeds the 12 hours per month from time to time, but does not always bill for the additional services by considering whether hours performed were less in previous months, and averaging it out. De Lay & Laredo has not increased their rates each year as the current agreement allows. The new agreement proposes the rates stay the same through June of 2019, and then increase on July 1st of each fiscal year by \$100 (\$2,200/month beginning July 1, 2019, \$2,300/month beginning July 1, 2020, and \$2,400/month beginning July 1, 2021). The hourly rate is proposed to increase on July 1st of each year by \$10 per hour. The remainder of the proposed terms are the same as the existing agreement.

The Finance Committee met on October 8th and supports the new agreement for legal services with De Lay & Laredo Attorneys at Law.

Upon motion made by Director Spencer, seconded by Director Rodriguez, and carried 5-0, the Board authorized a new agreement for legal services with De Lay & Laredo Attorneys at Law through November 20, 2021.

- 3. CONSIDER AUTHORIZING BOARD MEMBERS TO ATTEND THE ASSOCIATION OF CALIFORNIA WATER AGENCIES CONFERENCE (ACWA) AND THE ACWA/JOINT POWERS INSURANCE AUTHORITY (JPIA) MEETING FROM NOVEMBER 26TH THROUGH NOVEMBER 30TH, 2018 IN SAN DIEGO, CALIFORNIA (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Ridenhour stated that the ACWA Fall Conference is being held in San Diego from November 27th through November 30th this year. On Monday, November 26th, the JPIA has a day of meetings and activities including a Board Meeting that our representative sometimes attend (due to our membership in the JPIA for our Workers' Compensation insurance program). There is no fee to attend the JPIA's Board meeting. Director's Johnson and Alcorn are our JPIA representatives.

The cost of pre-registration (before November 9th) for the full conference, including meals most days, is \$699 per person. The total expenditure for attending the conference is approximately \$2,950 per person including registration, travel, hotel accommodations, meals, and Director compensation for five days. The last day to make hotel reservations at the conference rate is November 5th, but earlier registration is suggested because they often run out of rooms available at the discount rate. Costs will be less per person if an attendee does not attend all the days of the conference and if attendees share travel.

The Board of Directors must approve any Director's participation when representing the District in any official capacity and for them to receive expense reimbursement for any eligible expenses under District policy.

President Johnson, Director Alcorn, and Director Ross all expressed interest in attending the conference, with additional discussion that each Board member is to do their due diligence in determining if it is beneficial to attend due to the cost to the District.

Upon motion made by Director Alcorn, seconded by Director Spencer, and carried 5-0, the Board authorized Board members to attend the Association of California Water Agencies Conference (ACWA) and the ACWA/Joint Powers Insurance Authority meeting November 26th through November 30th, 2018 in San Diego, California, if determined that it is beneficial to the District for each to attend.

- 4. CONSIDER DECLARING THE GENERAL MANAGER THE DISTRICT'S AGENT FOR RESPONSES TO THE PUBLIC EMPLOYEE RELATIONS BOARD (PERB) AND AUTHORIZE THE GENERAL MANAGER TO RESPOND TO CORRESPONDENCE FROM THE UTILITY WORKERS UNION OF AMERICA AND THE PERB. (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Ridenhour explained that District staff have taken steps to form a union to represent their employment interests. The General Manager has been receiving correspondence from both the Public Employee Relations Board (PERB) and the Utility Workers Union of America. The District has posted notices as required and responded to the correspondence with the requested information. The latest correspondence from the PERB requested the name of the District's agent. General Manager/Secretary Ridenhour has responded that the General Manager is the primary agent for the District and has listed the Finance/Human Resource Manager as a second contact. General Manager/Secretary Ridenhour is requesting the Board designate the General Manager as the agent for the District and authorize him to respond appropriately to requests and correspondence from the PERB and the Utility Workers Union of America. The District's legal counsel has been and will be consulted and kept informed of all correspondence and requests for information from the PERB and the Utility Workers Union of America.

Upon motion made by Director Alcorn, seconded by Director Spencer, and carried 5-0, the Board declared the General Manager the District's agent for responses to the Public Employee Relations Board (PERB) and authorizes the General Manager to respond to correspondence from both the Utility Workers Union of America and the PERB. This includes updating the Board President on all information received and/or requested.

H. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** No meeting.
2. **Water/Wastewater Committee:** No meeting.
3. **Finance Committee:** Director Alcorn reported the committee met on October 8th to review and discuss the Financial Audit for fiscal year ended June 30, 2018; and the agreement for legal services with De Lay & Laredo, Attorneys at Law, both of which were covered on tonight's agenda.
4. **Policy and Procedure Committee:** No meeting.
5. **Personnel Committee:** No meeting.
6. **Water Resources Association of San Benito County (WRA):** President Johnson reported there was no meeting held and next meeting is scheduled for November 1st.
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 her monthly written narrative report on the Operations Summary (thru September 30, 2018), Statement of Income (thru August 31, 2018), and Investment Summary (thru September 30, 2018). Ms. Buck pointed out that the District received twenty-three water capacity fees for the month of September and that 37.8% of the District's customers are on one of the Automatic Payment services offered. Ms. Buck stated that water sales revenue for September 2018 is down compared to last month but is up compared to September 2017, which is due to the spike in construction water sales.

The District's Investment Summary report reflects the total cash balance as of September 30, 2018 of \$12,151,678.33, which includes posted interest totaling \$35,716.20 (three months interest on the Money Market, and second quarter interest on our LAIF investment that posted in July). Cathy Buck pointed out that the District's total cash and invested funds is down compared to last month, due to payments made on the Crosstown Pipeline.

Water/Wastewater Superintendent Jim Filice reported on the September 30, 2018 Maintenance Staff Report, and asked the Board if there were any questions. President Johnson inquired about a few items on the report and Mr. Filice fully explained each one.

In review of the Meter Reading Report for the period of August 15, 2018 to September 17, 2018, the intertie meter data indicates the City received -5.9% of Lessalt Water Treatment Plant water, while the District received 105.9%, and the City received 100% of the West Hills Water Treatment Plant water, while the District received 0%. The balance of water owed to the District from the City has gone up a little this month.

Water/Wastewater Superintendent Jim Filice reported on the groundwater level report stating that the levels are trending down, which is to be expected at the end of summer.

8. **Active Tasks Update:** General Manager/Secretary Ridenhour reported that the **Crosstown Pipeline** construction continues, with the 1st phase around the High School essentially complete, and the 2nd phase progressing. The new County road around the High School was opened on October 5th. The pipeline has been installed between the District's Well #2 and Nash Road. The pipeline to the City's Bundeson Well is also complete. Paving from the District's Well #2 through the north end of the pipeline installation in San Benito Street is complete. Specialty Construction, Inc. has begun the pipeline work from the District's Well #2 to Well #11, which should be complete by the end of October. The booster pump station work at the District's Well #2 will be delayed due to the long lead time to acquire materials, but we anticipate should begin in December. The project is anticipated to be fully complete by May 2019, due to the material delays.

General Manager/Secretary Ridenhour reported that the County has reopened Southside Road and is waiting for studies to be complete by the geotechnical firm before any additional steps are taken on the **Southside Road Landslide**. The landslide has raised questions by LAFCO about the District's wastewater treatment capacity. Mr. Ridenhour has sent correspondence to LAFCO explain that the District has more than enough capacity for the near future. General Manager/Secretary Ridenhour has formally made a public records request for copies of the exploratory drilling logs for borings that were taken at the end of August and in early September, but to date has not received anything.

General Manager/Secretary Ridenhour reported that there was a **LAFCO Meeting** on October 11th, during which they discussed the annexation of the Ridgemark Bluffs (Lompa Property) development into the District's water and wastewater service area. LAFCO did not take action, and continued the item until their November 8, 2018 meeting. The District's wastewater facilities were a topic of discussion due to the Southside Road landslide. Mr. Ridenhour explained to the Board that once we see the results of the study, the District's legal options could be discussed.

I. BOARD and STAFF REPORTS

1. **Directors:** President Johnson extended her well wishes to fellow board members that are running for various seats in the upcoming election.
2. **District Counsel:** Attorney Heidi Quinn thanked the Board for renewing the contract with De Lay & Laredo, Attorneys at Law.
3. **Finance and Human Resource Manager:** No report.
4. **Assistant Engineer:** No report.
5. **General Manager:** No report.

J. FUTURE AGENDA ITEMS: Board Compensation; Swearing in Ceremony; speaker cards and time limits.

K. ADJOURNMENT: President Johnson adjourned the meeting at 6:29 p.m.

APPROVED BY THE BOARD: *s/ Judi H. Johnson*
Judi H. Johnson, President

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