

**MINUTES  
BOARD OF DIRECTORS  
SUNNYSLOPE COUNTY WATER DISTRICT  
Regular Meeting  
September 9, 2010**

**A. CALL TO ORDER:** The meeting was called to order at 4:30 p.m. by President Keck at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

**B. ROLL CALL: Directors present:** President Doug Keck, Marchel Nelson, Steve Hailstone, Dawn Anderson, and Dave Meraz.

**OTHERS PRESENT:** Secretary Bryan Yamaoka, District Engineer Ken Girouard, Finance & Human Resource Manager Cathy Buck, Water Superintendent Jim Filice, and Attorney Lloyd Lowrey.

**C. EXECUTIVE SESSION:** The meeting was adjourned to Executive Session.

**1. Employee Negotiations**

-Employee 2009-10 Negotiations - #54957.1

-District Negotiators: Dave Meraz and Steve Hailstone

-District Employee Representing All Employees: Kelly Brill and Pat Jackson

**2. Conference with Real Property Negotiators - Property:** Purchase of lands adjacent to proposed Groundwater Treatment Plant & Evaporation Ponds. APNs 0202800430, 0202800410, 0202800420, 0202800220, 0211100270, 0212500230. SSCWD Negotiators: Yamaoka, Girouard. Property Owners: Brigantino, Brigantino, Ordiniza 11, Campisi, Campisi, Campisi. Under negotiation: Price and terms of payment.

**D. RECONVENE OPEN MEETING AND REPORT ACTIONS TAKEN BY BOARD IN EXECUTIVE SESSION:** President Keck convened the meeting in Open Session at 5:55 p.m. He reported on the following Executive Session agenda items.

**1. Employee Negotiations 2009-10:** No actions taken, instructions given to negotiators.

**2. Conference with Real Property Negotiators:** No action taken, instructions given to negotiators.

**E. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS:** There were no public comments.

**F. READING OF MINUTES:** Upon motion made by Director Hailstone, seconded by Director Nelson, and unanimously carried, the minutes of August 12, 2010 Regular Meeting and the August 25, 2010 Special Meeting were approved as presented.

**G. PUBLIC HEARING AND ADOPTION OF RESOLUTION #517 CERTIFYING A MITIGATED NEGATIVE DECLARATION FOR WELL #12 AND PIPELINE PROJECT:** Engineer Girouard reviewed the environmental findings and stated that the proposed project complies with CEQA Guidelines for a Mitigated Negative Declaration, and that it would not result in significant impacts. Engineer Girouard explained that the proposed draft Mitigated Negative Declaration was noticed, circulated, and reviewed by the appropriate agencies and by the land owners within 300 feet of the project. Comments were received from the City of Hollister as well as the State Clearinghouse. The City's comments did not significantly change or alter the draft Mitigated Negative Declaration, and their comments are noted. The State Clearinghouse acknowledged receipt of the draft Mitigated Negative Declaration and no comments were received from any State Agencies. Engineer Girouard requested that the Board hold a Public Hearing to receive any further verbal comments.

President Keck opened a Public Hearing at 6:30 p.m. to receive comments on the Negative Declaration findings. Attorney Lowrey noted that Resolution #517 adopts the Mitigated Negative Declaration, however, it does not specifically authorize going forward with the Well #12 and pipeline project. He stated that he will revise the resolution to include

language authorizing staff to proceed with the project. There were no comments from the public, and the hearing was closed at 6:32 p.m..

Upon motion made by Director Meraz, seconded by Director Nelson, and unanimously carried, the Board adopted Resolution #517, as amended, certifying the Mitigated Negative Declaration for the Well #12 and pipeline project, along with the associated Mitigation Monitoring and Reporting Program, and to authorize staff to proceed with the implementation of the Well #12 and pipeline project.

#### H. OLD BUSINESS:

1. **RESOLUTION #518 ELECTING TO BE SUBJECT TO PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AND FIXING EMPLOYER CONTRIBUTION AT AN AMOUNT EQUAL TO OR GREATER THAN THAT PRESCRIBED BY GOV CODE SECTION 22892(b) - Review, Discuss, and Take Appropriate Action on Adoption of Resolution #518 Electing to Resume CalPERS Health Care Coverage for Employees:** Secretary Yamaoka presented Resolution #518 which must be adopted by the Board and submitted prior to December 10th to provide employees with CalPERS benefits effective January 1, 2011.

Upon motion made by Director Meraz, seconded by Director Nelson, and unanimously carried, the Board adopted Resolution #518 and to establish an adequate Cafeteria Plan option, contingent upon majority vote of approval by the District employees.

#### I. NEW BUSINESS:

1. **FAIRVIEW TANK DISINFECTION BYPRODUCT (DBP) REDUCTION AND MANAGEMENT EXPERIMENTS - Review, Discuss, and Take Appropriate Action on Request by Staff and Utility Service Company Presentation to Evaluate Various DBP Removal and Control Strategies for the Fairview Tanks:** Secretary Yamaoka introduced PAX Water Technologies representatives Joel Ogle, Jason Oppenheimer, and Burt Clemmons, who then presented a proposal for removal and control processes of Trihalomethane and other disinfection byproduct levels present at the Fairview tanks to achieve compliance with current disinfection byproduct regulations.

During the PAX Technologies PowerPoint presentation, Joel Ogle outlined key elements of the proposal, which involves a two-month testing period to include tank cleaning, a sprayer manifold pump and nozzle, a mixing system at the bottom of the tank to eliminate stratification, and a forced ventilation system to prevent saturation of air in the head space above the water surface in the tank. In response to Director Meraz' inquiry about the possibility of air quality regulation issues, Mr. Oppenheimer stated that at this point in time there are no air quality regulations applicable to the system components.

Engineer Girouard pointed out that the mixing system can be used to facilitate uniform distribution of chlorine. He explained that, regardless of the PAX Technologies' test results, the District would benefit by use of the tank mixing system and sprayer pump and nozzle components. Engineer Girouard noted that the two water treatment alternatives being considered and tested are nanofiltration and granulated activated charcoal; that if granulated activated carbon is chosen, this system's ventilation and sprayer components would supplement the effectiveness in the granulated active organic carbon or nanofiltration to remove volatile organic compounds such as trihalomethanes.

Representative Ogle reviewed various options for the two-month testing period based upon available power at the site, including use of a generator for the two month testing period, including, if necessary, use of solar power.

During the presentation, Mr. Ogle explained that his company is willing to assume a capital outlay of \$15,000 in equipment in order to facilitate a partnership with the District as a test site which can be used by PAX to advertise and promote its products and technologies. He reported that PAX recently installed the first such system at a facility in Texas, and testing data will be available in approximately ten days.

In response to President Keck's questions regarding cost to the District, Mr. Ogle stated that the only "cost" would be District staff hours; at the end of the two-month

investigation period, the District has the option to purchase the system. Secretary Yamaoka noted that the Ridgemark tanks are in need of repainting, seismic retrofitting, and a regular maintenance program, all of which could be provided by PAX Technologies. In response to Ms. Buck's question about cost comparisons, Engineer Girouard stated that this proposal is a cost effective alternative; however, it will not solve all the issues because it will not prevent THM formation, it will only remove THMs after they have been formed.

After discussion of the proposal, the Board consensus was to move forward with the PAX Water Technologies proposal. A Special Meeting was set for September 30, 2010 at 4:30 p.m. for the purpose of approving the PAX proposal, as presented. The September 30 meeting agenda will also include a presentation on the District audit. Director Nelson informed the Board that he is unable to attend the September 30 meeting.

President Keck requested that staff inform the Governance Committee of the District's plans regarding the Fairview tanks.

## **J. BOARD AND STAFF COMMITTEE STATUS REPORTS:**

1. **Governance Committee:** Secretary Yamaoka reported on discussions with the Governance Committee regarding a site for the proposed second surface water treatment plant, noting that the Westside site appears to be the preferred location. He reported the next site selection subcommittee meeting would be held at 5:00 p.m. on September 15, 2010 prior to the 6:00 p.m. Governance Committee meeting.
2. **Water Resources Association of San Benito County:** Secretary Yamaoka reported that the next WRA meeting would be held on November 4th, 5:30 p.m., at the San Benito County Water District board meeting room. He also reported that the WRA is in the final stage of dissolving its nonprofit status. Director Anderson commented on the WRA's efforts to promote water softener replacement and abatement by offering significant rebates.

There was discussion regarding the September 17th grand opening of a demonstration drought tolerant ornamental garden located at Dunn Park. It was noted that the demo garden includes use of water permeable paving stones to mitigate rainwater runoff. The WRA is making plans for a demonstration booth at the County Fair, which runs from October 1<sup>st</sup> to the 3<sup>rd</sup>.

In addition, 1,200 grammar school students recently visited the demonstration garden as part of a "Kids in the Park" educational program. Director Anderson commended Shawn Novak's exemplary efforts over the years toward WRA's achievement of its water conservation goals and objectives.

3. **Ridgemark Wastewater Treatment and Recycled Water Improvement Project:** We are waiting for SRF funding, and are hopeful that we will receive approval soon.
4. **Water Related Projects:** Engineer Girouard reported that we are continuing our Pilot Testing; that we are looking at granulated carbon testing; that we have upcoming plans to visit a water treatment plant in Southern California that uses a granulated activated carbon process to treat water with significant levels of bromides and dissolved organic carbon, very similar to the District's water; and that he anticipates obtaining useful information applicable to the District's water treatment objectives.
5. **Lessalt Water Treatment Plant:** No report.
6. **State Revolving Fund and Stimulus Package Financing:** Secretary Yamaoka reported that the State approved the District's amended ordinance addressing possible loopholes in the original recommended language. He further reported the State informed him of an issue with the District's legal opinion letter on Proposition 218 relating to water and sewer rate increases, and that Attorney Lowrey is in the process of drafting a letter to satisfy the State's concerns. Secretary Yamaoka stated that he has been anticipating the District's application to be considered at the State Board's November 2 meeting; however, a delay is possible. When the District obtains State approval of its application for a revolving fund loan, the project will go out to bid.

7. **District Operation Summary, Statement of Income, and Investment Summary; Lessalt Water Treatment Agency Investment and Disbursement Summaries; District Maintenance Report; Meter Reading Report; and Groundwater Level Measurements:** Cathy Buck reviewed the Operation Summary, noting that Water revenue for August is down compared to July. Otherwise, the financial numbers are fairly consistent. She also noted, when looking at the Water Metered (Used) compared to Water Sources, that we showed a water gain for the second month in a row. Jim will have to keep an eye on this in the future to determine if this indicates a problem with the intertie meter readings.

Ms Buck reviewed the Statement of Income for the first two months of the fiscal year, noting that total income is \$319,152. In response to President Keck's question about how this year's net income compares to last year. Ms. Buck reported that she did not know without going back to look, but will include last year's Statement of Income with next month's report so the Board will have it for comparison purposes.

During review of the Investment Summary for the first two months of the fiscal year, Cathy Buck noted that the August 31st fund balance is \$1,880,300.83, including \$2,565.22 earned interest. She commented that September disbursements will include \$142,000 for the District's share of the Hollister Area Water/Wastewater Master Plan update, as well as a payment of interest plus \$115,000 for principal loan balance.

The Board reviewed financial reports for the Lessalt Water Treatment Agency, including the August 13 through September 9, 2010 Disbursement Summary totaling \$79,264.01. The Investment Summary ending August 31 reflects a fund total of \$1,483,987.42, which includes \$7,977.46 fiscal year-to-date earnings (six months).

During review of the July Maintenance Report, Jim Filice responded to questions from Board members about details regarding various items in the report.

Jim Filice reviewed the Meter Reading Report for the period July 19 to August 18, 2010 and noted that data obtained from the intertie meters indicates the actual amount owed is 157 million gallons. During his report Mr. Filice reviewed the distribution of Lessalt water pumped, noting that last month the District received 62% and the City 37.7%. Mr. Filice reported that data from the intertie monitoring system shows that since implementation of the monitoring system, the District has received a total of 58.3% of Lessalt water pumped, with the City at 41.7%; however, year-end proportionate shares are projected to even out subsequent to distribution during the upcoming winter months.

During review of the groundwater level report, Mr. Filice commented that well levels continue to trend downward as expected with customer landscape irrigation use patterns typical for this time of the year.

**K. ALLOWANCE OF CLAIMS:** The Board reviewed the District's Disbursement Summary for the period August 13 through September 9, 2010, totaling \$1,051,637.83, which includes: \$754,057.84 for employee compensation and accounts payable; \$293,756.20 to the City of Hollister for City sewer bills collected; \$3,754.05 for customer refunds and returned checks; and \$69.74 for employee medical benefit plan reimbursements. Last check written as of September 9, 2010, was check #15418.

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
8/13/10	ACH 0038	Anthem Blue Cross of California-Jackson	-78.50
8/20/10	ACH 0039	Intuit, Inc.	-106.39
8/23/10	ACH 0040	Intuit, Inc.	-186.57
8/18/10	ACH 0033	RETURNED ACH	-445.29
8/27/10	ACH 0047	RETURNED ACH	-65.33
8/26/10	ACH 0046	RETURNED CHECK	-366.52
8/13/10	ACH 0031	RETURNED CHECK	-194.69
8/13/10	ACH 0032	RETURNED CHECK	-457.76
8/18/10	ACH 0034	RETURNED CHECK	-137.33
8/19/10	ACH 0035	RETURNED CHECK	-117.60
8/20/10	ACH 0036	RETURNED CHECK	-120.99
8/23/10	ACH 0037	RETURNED CHECK	-139.53
8/24/10	ACH 0042	RETURNED CHECK	-314.38

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Amount</b>
8/24/10	ACH 0043	RETURNED CHECK	-151.43
8/25/10	ACH 0044	RETURNED CHECK	-143.93
8/25/10	ACH 0045	RETURNED CHECK	-130.09
8/25/10	ACH 0041	San Benito Bank	-368.99
9/3/10	ACH 0048	Merchant Services	-529.27
8/31/10	DD 0057	Alvarez, Abel	-3,806.37
8/31/10	DD 0058	Brill, Kelly L.	-4,376.95
8/31/10	DD 0059	Buck, Cathy L.	-6,304.96
8/31/10	DD 0060	Castro, Kevin G.	-3,795.02
8/31/10	DD 0061	Chavez, Jr., Manuel T.	-5,649.11
8/31/10	DD 0062	Eclarin, Ernesto P.	-4,767.49
8/31/10	DD 0063	Estrada, Thomas A.	-3,871.83
8/31/10	DD 0064	Filice, James L.	-7,872.72
8/31/10	DD 0065	Girouard, Kenneth R.	-6,365.57
8/31/10	DD 0066	Hagins, Patrick M.	-4,276.66
8/31/10	DD 0067	Imperatrice, Patrick L.	-5,214.25
8/31/10	DD 0068	Jackson, Patrick W.	-6,011.19
8/31/10	DD 0069	Norman, III, Walter R.	-5,336.66
8/31/10	DD 0070	Padilla, David	-4,885.54
8/31/10	DD 0071	Porteur, Carol A.	-3,481.60
8/31/10	DD 0072	Robson, Ann	-2,423.59
8/31/10	DD 0073	Watson, Scott A.	-3,462.29
8/31/10	DD 0074	Yamaoka, Bryan M.	-8,594.04
8/31/10	DD 0075	Zavala, Anabel G.	-4,133.75
9/7/10	DD 0076	Hailstone, Stephen B. (Dir. Dep.)	-400.00
9/7/10	DD 0077	Keck, Doug (Dir. Dep.)	-200.00
9/7/10	DD 0078	Meraz, David (Dir. Dep.)	-400.00
9/7/10	DD 0079	Wiener-Smolka, Laura S. (Dir. Dep.)	-200.00
8/16/10	15316	CHRISTINA ALCANTAR	-93.15
8/16/10	15317	ANDERSON HOMES	-28.24
8/16/10	15318	CASSANDRA CABRAL	-70.14
8/16/10	15319	MARTA DINSMORE	-59.58
8/16/10	15320	FAS-AHM UTILITIES LLC	-8.50
8/16/10	15321	DOUG FLORA	-30.56
8/16/10	15322	MOHAMMAD AL HASAN	-61.08
8/16/10	15323	JOHN LISIUS	-40.82
8/16/10	15324	HUIYI LUAN	-13.60
8/16/10	15325	KENNETH/ELIZABETH PEREZ	-36.30
8/16/10	15326	DON PETERSON	-108.47
8/16/10	15327	MARIA REYES	-85.00
8/16/10	15328	VICTORIA WHELAN	-119.35
8/16/10	15329	All Star Ready Mix, LLC	-728.64
8/16/10	15330	Anthem Blue Cross of California	-12,948.00
8/16/10	15331	Berger/Lewis Accountancy Corporation	-1,250.00
8/16/10	15332	CM Analytical, Inc.	-7,210.00
8/16/10	15333	EBCO Pest Control	-55.00
8/16/10	15334	Hollister-Sunnyslope W. T. A.	-75,255.82
8/16/10	15335	Monterey Bay Systems	-1,322.29
8/16/10	15336	National Meter & Automation, Inc.	-2,097.60
8/16/10	15337	OnTrac	-37.00
8/16/10	15338	P G & E	-8,775.31
8/16/10	15339	San Benito County Clerk	-50.00
8/16/10	15340	San Benito County Water District	-550.00
8/16/10	15341	South Valley Internet, Inc.	-17.95
8/16/10	15342	Western City Magazine	-63.00
8/23/10	15343	A-1 Services	-353.00
8/23/10	15344	All Star Ready Mix, LLC	-176.17
8/23/10	15345	Ben Caputo Printing	-289.51
8/23/10	15346	Cal-Sierra Technologies, Inc.	-149.96
8/23/10	15347	City of Hollister-Finance Dept	-293,756.20
8/23/10	15348	Fred Pryor Seminars	-398.00
8/23/10	15349	PAPA	-140.00
8/23/10	15350	South Valley Newspapers (Main St Media)	-1,314.00
8/23/10	15351	Toro Petroleum Corp.	-938.88
8/23/10	15352	Wastewater Solutions	-1,170.00
8/24/10	15353	BAC (Beneficial Administration Company)	-260.52
8/24/10	15354	Ben-e-lect	-270.00
8/24/10	15355	CalPERS - Retirement	-35,046.38

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Amount</b>
8/24/10	15356	Fort Dearborn Life Insurance Co.	-207.00
8/24/10	15357	Premier Access Insurance Co.	-2,651.18
8/24/10	15358	State Comp. Insurance Fund	-5,519.68
8/24/10	15359	Sterling HSA	-61.25
8/31/10	15360	Employment Dev. Dept. (EDD) DE88 Pmts.	-9,388.63
8/31/10	15361	San Benito Bank	-20,457.60
8/31/10	15362	CalPERS - Retirement	-1,587.18
8/31/10	15363	Nationwide Retirements Solutions	-10,693.37
8/31/10	15364	Sterling HSA	-1,702.50
8/25/10	15365	Postmaster	-278.08
8/26/10	15366	Leadership San Benito County	-1,200.00
8/30/10	15367	Ag. Commissioner San Benito Co.	-482.89
8/30/10	15368	All Star Ready Mix, LLC	-88.33
8/30/10	15369	AT&T	-274.41
8/30/10	15370	B.W.S. Distributors, Inc.	-362.36
8/30/10	15371	Brigantino Irrigation	-238.02
8/30/10	15372	CM Analytical, Inc.	-6,366.25
8/30/10	15373	Everbank Commercial Finance, Inc.	-257.85
8/30/10	15374	Ferguson Enterprises, Inc.	-155.04
8/30/10	15375	Gavilan Employer Advisory Council	-90.00
8/30/10	15376	Hollister Auto Parts, Inc.	-77.78
8/30/10	15377	Jobs Available, Inc.	-35.00
8/30/10	15378	Kennedy/Jenks Consultants	-29,906.17
8/30/10	15379	Mid Valley Supply	-245.84
8/30/10	15380	Noland Hamerly Etienne & Hoss	-3,006.63
8/30/10	15381	Palace Art & Office Supply	-337.87
8/30/10	15382	Postal Graphics (was Post Net)	-30.62
8/30/10	15383	Postmaster	-1,723.70
8/30/10	15384	Razzolink.com	-90.77
8/30/10	15385	San Benito Bank-Medical Exp.	-500.00
8/30/10	15386	San Benito Tire, Inc.	-736.35
8/30/10	15387	Verizon Wireless	-139.65
8/31/10	15388	Postmaster	-96.60
9/3/10	15389	MICHELLE MIRACLE	-50.15
9/3/10	15390	ROBERT PEREZ	-24.89
9/3/10	15391	FAS-AHM UTILITIES LLC	-100.56
9/3/10	15392	KATHLEEN ROGERS	-38.79
9/3/10	15393	Personnel Concepts	-75.45
9/3/10	15394	Petty Cash	-26.47
9/3/10	15395	San Benito County Water District	-481.50
9/7/10	15396	Ace Hardware (Johnson Lumber Co.)	-129.90
9/7/10	15397	Anderson, Dawn V.	-200.00
9/7/10	15398	Anthem Blue Cross of California-Jackson	-430.00
9/7/10	15399	Bianchi Kasavan & Pope, LLP	-816.00
9/7/10	15400	CM Analytical, Inc.	-2,767.50
9/7/10	15401	David J Powers & Associates, Inc.	-3,516.03
9/7/10	15402	Gabilan Welding, Inc.	-9.74
9/7/10	15403	Groeniger & Company	-2,802.10
9/7/10	15404	Mc Donald Landscaping	-165.00
9/7/10	15405	Mission Uniform Service	-674.19
9/7/10	15406	Nelson, Marchel	-200.00
9/7/10	15407	OnTrac	-61.00
9/7/10	15408	P G & E	-22,787.07
9/7/10	15409	Postal Graphics (was Post Net)	-15.59
9/7/10	15410	Recology San Benito County	-114.27
9/7/10	15411	San Benito Bank-Medical Exp.	-500.00
9/7/10	15412	San Benito County Water District	-142,570.48
9/7/10	15413	San Benito Engineering & Surveying Inc.	-650.00
9/7/10	15414	South Valley Newspapers (Main St Media)	-36.25
9/7/10	15415	TopHealth / Personal Best	-183.54
9/7/10	15416	Toro Petroleum Corp.	-1,695.13
9/7/10	15417	U.S. Bank Corporate Payment Systems	-392.28
9/7/10	15418	Union Bank of California, N.A.	-225,803.41
8/13/10 - 8/27/10	1324-1325	Total Disbursements - Medical Cking	-69.74
<b>Total Disbursements</b>			<b><u>-1,051,637.83</u></b>

Upon motion made by Director Anderson, seconded by Director Nelson, and unanimously carried, the Board approved the disbursements as presented.

**L. DISTRICT COUNSEL REPORT:** Attorney Lowrey commented that he plans to attend the ACWA Continuing Education Program on September 30th, and, therefore, will be unable to attend the Board's special meeting on that date.

**M. DISTRICT ENGINEER REPORT:** Engineer Girouard reported that he is continuing to pursue acquisition of an easement from Hollister School District for the proposed Well #2 solar photovoltaic system.

**N. GENERAL MANAGER REPORT:** No report.

**O. FUTURE AGENDA ITEMS:** A special meeting will be held on September 30, 2010 at 4:30 p.m.; the next regular meeting of the Board is scheduled to be held Thursday, October 14, 2010.

**P. ADJOURN:** Upon motion made by Director Nelson, seconded by Director Anderson, and unanimously carried, the meeting was adjourned at 7:00 p.m.

**APPROVED BY THE BOARD:** s/Douglas C. Keck  
Douglas C. Keck, President

**RESPECTFULLY SUBMITTED:** s/Bryan M. Yamaoka  
Bryan M. Yamaoka, Secretary