Sunnyslope County Water District
BOARD OF DIRECTORS
REGULAR MEETING

District Office Board Room/Teleconference **3570 Airline Hwy., Hollister, CA**

NOTICE & AGENDA

NOVEMBER 17, 2026
Regularly Scheduled Board Meeting - 5:15PM
Closed Session – 4:30PM

IN PERSON PUBLIC ACCESS TO DISTRICT MEETINGS IS AVAILABLE AND REMOTE ACCESS CAN BE OBTAINED THROUGH THE FOLLOWING ACCESS POINTS:

ZOOM MEETING ACCESS LINK

https://us06web.zoom.us/j/85679568962?pwd=1YIYEzJlVy8b0XRgdwRubdAGC587ah.1
Passcode: SSCWD

Or Telephone: Dial + 1 (669) 444-9171 and when prompted enter Meeting ID: 856 7956 8962
Dial in Passcode: 421242

ADDITIONAL INSTRUCTIONS TO JOIN MEETING

https://us06web.zoom.us/meetings/85679568962/invitations?signature=whIJgIElyPEMkSMIdT1Q8Ols-a2i02yKau3XIZHhSc0

HEALTH AND SAFETY GUIDELINES

Public access to this meeting is provided both in person and through electronic viewing. Virtual meeting access will continue to be provided as a public convenience until further notice. Remote viewing interruptions due to internet quality, power outages or other factors may occur and will not stop the meeting while a quorum is present in the Board Room; To ensure the health, safety, and welfare of those in attendance, all attendees must comply with any procedures/instructions announced by the Board of Directors or as directed by Staff prior to commencement of the meeting. Face coverings will be provided if health concerns dictate and will be made available upon request. The meeting will be available through Zoom for those who wish to join remotely. Anyone requiring accommodation may contact the Main Office at: (831) 637-4670 a minimum of 24 hrs prior to the start of the meeting.

Mission Statement:

"Our Mission is to provide safe, reliable, and high-quality water and wastewater services to our customers and all future generations in an environmentally and financially responsible manner."

A. CALL TO ORDER - ROLL CALL

President Alcorn _____, Vice President Martinez _____, Director Buzzetta _____, Director Brown _____, and Director Perez-Kenny _____.

B. PUBLIC COMMENT ON CLOSED SESSION MATTERS – When agendized, members of the public may address the Board on the item or items listed on the Closed Session agenda, with a time limit of three minutes per speaker.

CLOSED SESSION @ 4:30PM

C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS:

1. **Public Employee Performance Review (§ 54957)** – Title: General Manager

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REGULAR SESSION @ 5:15PM

D. PLEDGE OF ALLEGIANCE

E. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION:

1. **Employee & Personnel Committee – Closed Session, November 11th**
2. **Regular Board Meeting – Closed Session, November 17th**

F. APPROVAL OF AGENDA – Any requests to postpone consideration of an agenda item or move an item forward on the agenda will be considered at this time.

G. PUBLIC COMMENTS and AUDIENCE INTRODUCTIONS – The public may comment[1] on any District business, not on the agenda, with a time limit of three minutes per speaker. To make a public comment in person please fill out a "Speaker Card" and return to the Minutes Clerk prior to speaking. When virtual meeting access is provided, please use the "hand-raise" feature and you will be called upon to speak. No action may be taken by the Board during the public comment period.

H. CONSENT AGENDA – Members of the Board and/or members of the public may pull matters from the Consent Agenda. Any matter pulled from the Consent Agenda requiring action shall be moved to New Business and treated as a matter of new business, or for matters needing clarification shall be moved to Staff Reports and addressed by the respective staff. The public may address the Board[2] on these items, not to exceed 3 minutes, when the Board reviews each pulled item.

1. Approve Minutes of the Board
   - Regular Board Meeting – October 27, 2026 (page 1)

2. Receive and Accept Allowance of Claims for Disbursements from October 1, 2026 Through October 31, 2026 (page 9)

3. Receive and Accept Engineering Services Monthly Status Report (page 12)

4. Receive and Accept Finance Manager Monthly Status Reports:
   a) Narrative Report (page 15)
   b) Operation Summary (page 24)
   c) Statement of Income (page 27)
   d) Investment Summary (page 29)
   e) Board Designated Reserves (page 30)

5. Receive and Accept Superintendent Monthly Status Reports:
   a) Maintenance (page 31)
   b) City Meter Reading (page 37)
   c) Groundwater Level Measurement (page 38)

6. Receive and Accept General Manager Monthly Status Report (page 39)

I. NEW BUSINESS – The Board will review and discuss agenda items and take action or direct staff to return to the Board for action at a following meeting. The public may address the Board[2] on these items as the Board reviews each item when directed to do so.

1. Authorize The President To Sign The Agreement For Water Facilities And Service For The Fulton Way Tract No. 358 Development As Amended. (Mit Neg Dec Certified By San Benito County Planning Commission). *Item held over from October 27th meeting for further discussion.* (page 40)

2. Authorize the General Manager to Make Repairs To Well #7 for a Total Cost Not to Exceed $50,000 (CEQA Categorically Exempt 15301 (d)). (page 66)

3. Approve A 5% General Manager Incentive Pay In An Amount Not To Exceed $10,205. (page 74)

J. STATUS REPORT

1. Governance Committee (MA, DB) – (Meeting Held August 12)
2. Water / Wastewater Committee (DB, OM) – (No Meeting)
3. Finance Committee (MA, JB) – (Meeting Held October 14)
4. Policy and Procedure Committee (JB, AP-K)– (No Meeting)
5. Employee and Personnel Committee (DB, MA) – (Meeting Held October 9 and October 23)
6. Water Resources Association of San Benito County (OM, Alt. DB) – (No Meeting)
7. Architectural Steering Committee (DB, AP-K) – (Meeting Held October 8)

K. BOARD and STAFF REPORTS

1. Directors
2. District Counsel
3. General Manager – General Manager Report (Oral Report)

L. FUTURE AGENDA ITEMS

1. December 15th Public Hearing to accept public input and tabulate protests for Ridgemark sewer flat-rate proposal and rate model adoption.
2. December 15th the Board will conclude the meeting by administering the Oath of Office and seating board members for the 2027 calendar year. This agenda item will also include appointing a new President and Vice President for the 2027 calendar year and the board will set and approve the regular meeting calendar for the 2027.
3. December 15th the Board will consider extending the employment contract for the General Manager.
4. District #2 Board Member recruitment is ongoing, and Appointment will be considered when timely applications have been received.

5. January 26th, 2027 the Board President will make Board committee appointments.

M. ADJOURNMENT

Upon request, Sunnyslope County Water District (SSCWD) will make a reasonable effort to provide written agenda materials in appropriate alternative formats, languages or disability-related modification or accommodation, including auxiliary aids or services, to enable all individuals to participate in public meetings. SSCWD will also make a reasonable effort to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service as soon as possible in advance of the meeting.

Next Regular Board Meeting – November 17, 2026 @ 5:15 p.m., District Admin Office

AGENDA DEADLINE: **November 11 @ 12:00 p.m.**

Future Scheduled Committee Meetings

Water Resources Association of San Benito County – TBD

[1] The person speaking is requested to fill out a speaker card stating items on which they wish to comment to be properly recognized during communications from the public and address comments to the Board of Directors. A limit of three (3) minutes per speaker is requested to allow others an opportunity to comment. Board members may ask questions of the speaker, but no action may be taken, and no discussion may be held on non-agenized items raised by the public. The General Manager may refer the matter to the proper personnel for review.
[2] The person speaking is requested to fill out a speaker card stating their name, address, and items on which they wish to comment to be properly recognized during communications from the public and address comments to the Board of Directors. Please limit your comment to three (3) minutes. Please step up to and speak at the podium.

MINUTES
Special Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
October 28, 2026

A. CALL TO ORDER: The meeting was called to order at 5:00 p.m. by President Alcorn, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

ROLL CALL: Present in Person: President Michael Alcorn (MA), Vice President Orlando Martinez (OM), Director Dee Brown (DB), Director Alexis Perez-Kenny (APK), Director Jerry Buzzetta (JB).

B. PUBLIC COMMENTS ON CLOSED SESSION MATTERS: The Board welcomed members of the public and opened the meeting to public comments regarding matters identified on the Closed Session agenda. A paper copy of an email comment written by Mr. Jonathan Vasquez was provided to all directors

C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS: President Alcorn retired the meeting to Closed Session at 5:05 p.m. to discuss three items.

1. **Management Compensation/Benefits (§ 54957.8)**
    i. Unrepresented Management Staff Classifications
2. **Public Employee Performance Review (§ 54957)**
    i. General Manager
3. **Potential Litigation, Claim For Damages in Excess of $10,000 (§ 54956.9)**
    i. Jonathan Vasquez

President Alcorn returned from closed session at 5:27p.m. and announced a short recess to allow for staff and the public to join the meeting.

President Alcorn resumed open session at 5:30 p.m.

Staff Present for Open Session: In **Person:** General Manager/Secretary Drew Lander, Principal Engineer Robert Hillebrecht, Assistant Finance Manager Dana Sullivan, Water/Wastewater Superintendent Jose Rodriguez and Account Technician Taya Bravo (attending as Minutes Clerk)

D. PLEDGE OF ALLEGIANCE: Director Kenny-Perez led those in attendance in the Pledge of Allegiance.

E. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION: President Alcorn asked District Council Michael Laredo to report on any actions taken in the Closed session.

Mr. Laredo reported item number 1, Management Compensation/Benefits (§ 54957.8) discussion occurred, and no reportable action was taken, this item has been agendized for I-3 as a future action. Item number 2, Public Employee Performance Review (§ 54957) was discussed but no reportable action was taken. Item number 3, Potential Litigation, Claim For Damages in Excess of $10,000 (§ 54956.9), a motion to deny the claim as presented was made by Director Brown and seconded by Director Martinez, and a Board vote of 5-0 sustained the denial of the claim.

F. APPROVAL OF AGENDA: President Alcorn asked the Board if there were any requests to postpone or modify the agenda. Director Perez-Kenny motioned to approve the agenda, seconded by Director Brown, for which President Alcorn took a roll call vote as follows: (DB), yes; (APK), yes; (JB), yes; (OM), yes; and (MA), yes; the motion carried 5-0.

G. 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. No public comments were received.

H. CONSENT AGENDA:

1. Approval of Minutes for:
   Special Board Meeting of October 6th, 2026

2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of September 1, 2026 through September 30, 2026, totaling $3,249,665.42 includes $2,013,709.31 for payments to vendors, $316,996.01 for Payroll, and $499,547.46 paid to the City of Hollister for collection of City sewer billings (net of our fees).

Date	Number	Name	$ Amount
8/3/2026	DFT0001248	Sterling Administration Health	200.00
9/2/2026	55488	BJORK CONSTRUCTION / MATT FICUS	198.18
9/2/2026	55486	JAMES ROCCAFORTE & SARAH ROBERTS	41.80
9/2/2026	55487	MARIA AVILES	0.82
9/2/2026	DFT0001263	Sterling Administration Health	200.00
9/3/2026	55463	Ace Hardware (Johnson Lumber Co.)	446.61
9/3/2026	55464	Advanced Integration & Controls	1,112.50
9/3/2026	55465	Amazon Capital Services	479.10
9/3/2026	55466	AT&T	378.45
9/3/2026	DFT0001266	CalPERS - Retirement	23.08
9/3/2026	DFT0001265	CalPERS - Retirement	7,786.12
9/3/2026	DFT0001264	CalPERS - Retirement	12,000.94
9/3/2026	55467	Carlon's Fire Extinguisher Sales & Serv	885.00
9/3/2026	55468	Central Ag Supply LLC	817.79
9/3/2026	55469	DUDEK	112,448.34
9/3/2026	55470	Eva Green Power	21,534.80
9/3/2026	55471	exceedio	384.29
9/3/2026	55472	Extreme Air, Inc.	1,361.00
9/3/2026	55473	Geotech Environmental Equipment, Inc.	4,161.33
9/3/2026	55474	Government Finance Officers Association	250.00
9/3/2026	55475	Hollister Auto Parts, Inc.	242.33
9/3/2026	55476	John Smith Road Landfill	286.46
9/3/2026	55477	Mission Uniform Service	532.76
9/3/2026	55478	Motion Industries, Inc.	345.25
9/3/2026	DFT0001267	Nationwide Retirements Solutions	10,968.58
9/3/2026	EFT0000336	Net Pay	84,344.49
9/3/2026	55479	PACE Supply Corp	1,569.29
9/3/2026	55480	San Benito County Water District	418,922.21
9/3/2026	55482	San Benito Tire Pros & Automotive	25.00
9/3/2026	55483	Toro Petroleum Corp.	63.75
9/3/2026	EFT0000337	Total Tax	20,187.56
9/3/2026	55484	U.S. Bank Corporate Payment Systems	4,563.08
9/3/2026	55485	USA Blue Book	170.03
9/4/2026	DFT0001268	Nationwide Retirements Solutions	1,112.00

9/4/2026	55490	San Benito County-Assessor	22,983.00
9/4/2026	DFT0001269	Sterling Administration Health	140.00
9/8/2026	55492	Ace Hardware (Johnson Lumber Co.)	207.82
9/8/2026	55493	Amazon Capital Services	101.46
9/8/2026	55494	Brigantino Irrigation	208.86
9/8/2026	55495	InfoSend	3,485.18
9/8/2026	55496	Municipal Maintenance Equipment	5,615.63
9/8/2026	DFT0001270	Principal	5,127.64
9/8/2026	55497	Recology San Benito County	379.25
9/8/2026	55498	Toro Petroleum Corp.	2,336.80
9/8/2026	55499	U.S. Bank Corporate Payment Systems	1,455.88
9/8/2026	55500	Wright Bros. Indust. Supply	265.46
9/8/2026	55501	Wright Bros. Welding & Sheet Metal, Inc.	1,247.11
9/9/2026	DFT0001271	iCloud	15,499.07
9/9/2026	DFT0001272	Sterling Administration Health	99.00
9/10/2026	55502	A-1 Services	504.00
9/10/2026	55503	Amazon Capital Services	83.22
9/10/2026	55504	Brenntag Pacific, Inc.	6,584.79
9/10/2026	55505	Bryan Mailey Electric, Inc	195.00
9/10/2026	55521	City of Hollister-Finance Dept	499,547.46
9/10/2026	55506	exceedio	6,318.81
9/10/2026	55507	ICON Cloud Solutions, LLC	296.63
9/10/2026	55508	Iconix Waterworks (US) Inc.	2,159.29
9/10/2026	55509	Jesse Mack Company Inc.	2,884.88
9/10/2026	55510	LEHR	1,297.18
9/10/2026	55511	Manuel Chavez	108.16
9/10/2026	55512	MBS Business Systems	816.41
9/10/2026	55513	Mission Uniform Service	752.78
9/10/2026	55514	Petty Cash	35.00
9/10/2026	55515	Postal Graphics	97.26
9/10/2026	55516	R&S Erection of Monterey Bay, Inc.	3,255.00
9/10/2026	55517	Raftelis Financial Consultants, Inc.	1,220.00
9/10/2026	55518	San Benito Tire Pros & Automotive	894.34
9/10/2026	55519	Trans Union LLC	161.19
9/10/2026	55520	Verizon Wireless	338.05
9/11/2026	DFT0001274	Sterling Administration Health	355.75
9/11/2026	DFT0001273	Sterling Administration Health	360.00
9/11/2026	55522	YARELY & JORGE MORENO	68.66
9/14/2026	DFT0001275	Colonial Life	2,515.14
9/14/2026	DFT0001277	Sterling Administration Health	148.00
9/14/2026	DFT0001276	Sterling Administration Health	173.19
9/15/2026	55523	Amazon Capital Services	698.80
9/15/2026	55524	AT&T	380.51
9/15/2026	55525	Calcon System, Inc.	1,570.00
9/15/2026	55526	DiBuduo & DeFendis Insurance Brokers, LLC	1,626.00
9/15/2026	55527	EBCO Pest Control	82.00
9/15/2026	55528	Geotech Environmental Equipment, Inc.	2,807.98
9/15/2026	55529	Iconix Waterworks (US) Inc.	276.91
9/15/2026	55530	Mark Nicholson, Inc.	15,783.94
9/15/2026	55531	Meter, Valve & Control	35,193.22
9/15/2026	55532	Mission Uniform Service	570.97
9/15/2026	55533	Wallace Group	74,031.48
9/17/2026	DFT0001278	CalPERS - Health Insurance	37,252.81
9/17/2026	DFT0001284	CalPERS - Retirement	23.08
9/17/2026	DFT0001283	CalPERS - Retirement	350.00
9/17/2026	DFT0001281	CalPERS - Retirement	7,876.11

9/17/2026	DFT0001279	CalPERS - Retirement	12,031.94
9/17/2026	DFT0001282	Nationwide Retirements Solutions	1,112.00
9/17/2026	DFT0001280	Nationwide Retirements Solutions	10,968.58
9/17/2026	EFT0000338	Net Pay	85,669.04
9/17/2026	DFT0001288	P G & E	35,145.43
9/17/2026	EFT0000339	Total Tax	20,736.01
9/18/2026	55534	ACC Business	1,339.24
9/18/2026	55535	Ace Hardware (Johnson Lumber Co.)	354.31
9/18/2026	DFT0001285	ADP	2,528.74
9/18/2026	55536	Amazon Capital Services	427.00
9/18/2026	55537	Auto Tech Service Center, Inc.	150.00
9/18/2026	55538	Brenntag Pacific, Inc.	12,588.59
9/18/2026	55539	Brigantino Irrigation	235.46
9/18/2026	55540	CWEA Membership- TCP	259.00
9/18/2026	55541	DiBuduo & DeFendis Insurance Brokers, LLC	1,552.00
9/18/2026	55542	exceedio	130.00
9/18/2026	55543	Hollister Paint Co.	28.72
9/18/2026	55544	John Smith Road Landfill	1,800.00
9/18/2026	55545	Motion Industries, Inc.	488.11
9/18/2026	55546	PAPE Machinery	1,410.61
9/18/2026	DFT0001286	Sterling Administration Health	151.00
9/18/2026	55547	Toro Petroleum Corp.	1,798.44
9/18/2026	55548	Tyler Technologies, Inc.	25,907.58
9/18/2026	55549	Wallace Group	9,462.50
9/23/2026	55552	ABHILASHA DAVE & MANROOP TURNA	7.09
9/23/2026	55551	GARRIN DOUGLAS	173.88
9/23/2026	55550	Katch Environmental, Inc.	1,318,643.25
9/24/2026	55553	Ace Hardware (Johnson Lumber Co.)	75.98
9/24/2026	55554	Brenntag Pacific, Inc.	1,557.70
9/24/2026	55555	Bryan Mailey Electric, Inc	29,325.02
9/24/2026	55556	Carlon's Fire Extinguisher Sales & Serv	1,591.45
9/24/2026	55557	Christina Perez Architect	8,865.00
9/24/2026	55558	CM Analytical, Inc.	8,456.25
9/24/2026	55559	De Lay & Laredo	4,524.00
9/24/2026	55560	ELC Consulting Inc.	22,946.84
9/24/2026	55561	Enterprise Electrical Services	175.00
9/24/2026	55562	exceedio	185.00
9/24/2026	55563	First Trust Alarm Company	892.02
9/24/2026	55564	Greenwood Chevrolet	94.07
9/24/2026	55565	Hach Company	1,442.38
9/24/2026	55566	Inductive Automation	5,948.40
9/24/2026	55567	Mission Uniform Service	648.38
9/24/2026	55568	Motion Industries, Inc.	4,395.29
9/24/2026	55569	R&B Automation, Inc.	17,480.75
9/24/2026	55570	Shape, Inc.	11,511.31
9/24/2026	55571	Simplot Grower Solutions	1,582.00
9/24/2026	55572	Transene Company Inc (Shape Products)	170.84
9/24/2026	55573	USA Blue Book	4,606.80
9/24/2026	55574	Verizon Wireless	668.66
9/24/2026	55575	Wallace Group	98,322.24
9/24/2026	55576	Waste Resource Recovery, Inc.	900.00
9/24/2026	55577	Wright Bros. Welding & Sheet Metal, Inc.	1,379.02
9/28/2026	DFT0001287	Sterling Administration Health	133.40
			-$3,249,665.42

3. Receive Engineering Services Monthly Status Report.

4. Receive Finance Manager Monthly Status Reports: a. Narrative Report, b. Operation Summary, c. Statement of Income, d. Investment Summary, and e. Board Designated Reserves.

5. Receive Superintendent Monthly Status Reports: a. Maintenance, b. City Meter Reading, and c. Groundwater Level Measurement.

6. Receive General Manager Monthly Status Report.

President Alcorn asked for public comment and upon receiving none, requested a motion to approve the Consent Agenda. Upon a motion made by Director Martinez to approve the Consent Agenda, seconded by Director Brown, for which President Alcorn then took a roll call vote as follows: (DB), yes; (APK), yes; (JB), yes; (OM), yes; and (MA) yes; the motion carried 5-0.

D. NEW BUSINESS:

1. Board Will Receive The Wastewater Rate Study Draft Report Prepared By Raftelis Financial Consultants And Consider Approval Of Resolution 622 Implementing Exhaustion Of Remedies Procedure Per Government Code Sections 53759.1 and 53759.2, And Direct The General Manager To Mail 218 Notices To All Property Owners Affected By The Proposed Changes (Not A Project Under CEQA Guidelines Section 15378)

District Council Michael Laredo provided direction thought the President that three actions should be taken on this item and should be considered as items 1a, 1b, and 1c.

1a. Receiving Presentation of the Wastewater Rate Study Draft Report
The Board received a presentation from Theresa Jurotich, representative of Raftelis Financial Consultants, regarding the District's wastewater rate study. The consultant reviewed the District's financial condition, projected capital improvements totaling approximately $5 million over the next four fiscal years, and the need for additional revenue to maintain operations and fund future projects. It was noted that wastewater rates have not increased since December 2018, while operating costs have risen due to inflation.

The proposed rate structure would transition residential customers to a fixed monthly charge, reflecting that approximately 98% of wastewater treatment costs are fixed. Commercial and industrial customers would remain on usage-based rates. Proposed rates would take effect January 1, 2027, with annual increases of approximately 3.5% through 2031 to keep pace is expected future inflation. The consultant explained that customers with lower water usage may see increases, while higher-use customers would generally see decreases. The District's solar field, operational improvements, and new development contributions were also discussed as the reason additional revenue has not been needed.

During Board discussion, concerns were raised regarding the proposed rate increases for customers with lower average winter water consumption and the need for clearer presentation of the information to better explain and justify the proposed increases.

President Alcorn requested public comment and resident Ed Davis expressed concerns regarding the proposed transition to a flat fee because he was one of the customers who would see an increase in his rate. The speaker questioned if additional revenue was indeed going to be generated by this change.

Following public comments, President Alcorn requested a motion to approve the item. Director Brown made a motion to accept the Wastewater Rate Study as written, seconded by Director Perez-Kenny. President Alcorn conducted a roll call vote as follows: (DB), yes; (APK), yes; (JB), no; (OM), yes; and (MA) yes; the motion carried 4-1.

1b. Review and Adoption of Resolution 622
District Counsel Laredo discussed the requirements established under Assembly Bill 2257, which provide property owners with an opportunity to formally submit written objections to proposed rate changes before adoption. The procedure allows the District to review and respond to objections, providing an opportunity to address concerns before the proposed rates are adopted. Mr. Laredo further clarified that this assembly bill is intended to clearly provide responsibilities of both customers and the District and limits future legal remedies to those identified and responded to prior to board action.

Following discussion and President Alcorn requested public comment. No public comment was provided. Director Martinez made a motion to adopt Resolution 622 as written, seconded by Director Brown. President Alcorn conducted a roll call vote as follows: (DB), yes; (APK), yes; (JB), no; (OM), yes; and (MA) yes; the motion carried 4-1.

1c. Direction to Mail Proposition 218 Notices
The Board discussed the Proposition 218 notice as presented. The board expressed consensus to have additional information included to help property owners better understand the rate-setting process and the reasons for the proposed changes.

The General Manager recommended the item could be approved with a condition that the Finance Committee provide this additional language before mailing. The committee agreed to meet Thursday afternoon, November 29.

President Alcorn asked for public comment and upon receiving none, requested a motion to approve the Consent Agenda. Director Brown made a motion to direct the General Manager to mail the Proposition 218 notices after a meeting of the Finance Committee to provide final revisions, this motion was seconded by Director Perez-Kenny, for which President Alcorn then took a roll call vote as follows: (DB), yes; (APK), yes; (JB), yes; (OM), yes; and (MA) yes; the motion carried 5-0.

2. Authorize The President To Sign The Agreement For Water Facilities And Service For The Fulton Way Tract No. 358 Development As Amended. (Mit Neg Dec Certified By San Benito County Planning Commission).

The Board reviewed the amended Water Facilities and Service Agreement for the Fulton Way Tract No. 358 Development, which had previously been approved by the Board but had returned for an amendment requesting the District to pay fees associated with the San Benito Agricultural Land Trust (SBALT).
Director Perez-Kenny noted that the calculation page for the SBALT fees was not included with the staff report. Through the President the Board requested this item return for approval after the additional document has been provided for review.

This item was tabled until the November meeting for further discussion.

3. Authorize The District President To Sign Resolution No. 623 Adopting The 202627 Salary Schedule As Amended To Comply With CALPERS Statutory And Regulatory Requirements (Not A Project As Defined By The California Environmental Quality Act Per Article 20, Section 15378).

The General Manager, Drew Lander, presented the proposed 2026-27 Salary Schedule, noting that management salary scales were previously presented in 2024. The Associate Engineer position, which had been removed in 2024, was reinstated. Several management classification adjustments were discussed and recommended by the Personnel Committee following a review of comparable salary scales. The General Manager reiterated that the proposed changes concerned salary schedules and certification pay, not employee promotions. Director Buzzetta asked whether the reinstated Associate Engineer position would receive a salary increase. Mr. Lander confirmed the Associate designation is a professional engineering classification, beginning at Step A. Director Buzzetta also

clarified that the proposed adjustments involved Jose Rodriguez (Water & Wastewater Superintendent), DeeJ Burbank (Operations & Maintenance Crew Chief), Rob Hildebrecht (Principal Engineer), and Alvin Do (Associate Engineer).

One written public comment provided by Mr. Jonathan Vasquez, was distributed to the Board. Director Alcorn acknowledged receipt of the comment. President Alcorn then asked for any further public comment. Upon receiving no public comment, President Alcorn requested a motion to approve the item. Director Brown made a motion to accept this item as written. This motion was seconded by Director Martinez, for which President Alcorn then took a roll call vote as follows: (DB), yes; (APK), yes; (JB), yes; (OM), yes; and (MA), yes; the motion carried 5-0.

4. Designate Voting Representative Prior To October 30, 2026 For ACWA Election Of Officers And To Participate As Authorized Representative (Not A Project Under CEQA Per Article 20, Section 15378).

President Alcorn expressed interest in representing the Board for ACWD election duties. All Board members expressed agreement with his desire to serve in that capacity.

President Alcorn then asked for any public comment. Upon receiving no public comment, President Alcorn requested a motion to approve the item. Director Perez-Kenny made a motion to designate Mike Alcorn as the District's authorized voting representative for the ACWA Election of Officers. This motion was seconded by Director Buzzetta, for which President Alcorn then took a roll call vote as follows: (DB), yes; (APK), yes; (JB), yes; (OM), yes; and (MA), yes; the motion carried 5-0.

E. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** (Meeting Held August 12)
2. **Water/Wastewater Committee:** (No Meeting)
3. **Finance Committee:** (Meeting Held October 14)
4. **Policy and Procedure Committee:** (No Meeting)
5. **Employee and Personnel Committee:** (Meeting held October 9 and October 23)
6. **Water Resources Association of San Benito County (WRA):** (No Meeting)
7. **Architectural Steering Committee:** (Meeting Held October 8)

F. BOARD and STAFF REPORTS

1. **Directors:** No Report.
2. **District Counsel:** No Report.
3. **General Manager Oral Report:** The General Manager provided an update regarding Adam Mendolla's ADU connection fee and stated that he was able to provide direction to assist with moving the connection forward.

The General Manager discussed the City of Hollister's recent City Manager transition and the District's ongoing assistance to the City. He reported that the District has historically provided water through its interties to assist with the City's fire flow needs. Due to ongoing issues with the City's Memorial Booster Station, the City currently owes the District approximately 2,600 acre-feet of water, valued at approximately $1 million. The General Manager stated that he had previously been working with the City's former City

Manager on an agreement to address the outstanding water balance but was unsure how quickly we can proceed with a solution. The General Manager also provided an update regarding new State Department of Drinking Water reporting requirements, which may require an additional Consumer Confidence Report (CCR) for qualifying water systems. Lastly, the General Manager discussed recent water quality concerns following a temporary switch to San Justo Reservoir water. The change resulted in elevated manganese residuals, which caused some water discoloration and customer complaints. The District has been flushing water lines to reduce the discoloration. The General Manager explained that the issue is more noticeable during winter months due to lower water usage and slower water flows but all water delivered was high quality and complies with all regulatory standards.

L. FUTURE AGENDA ITEMS:

1. December 15th Public Hearing to accept public input and tabulate protests for Ridgemark sewer flat-rate proposal and rate model adoption.
2. December 15th the Board will conclude the meeting by administering the Oath of Office and seating board members for the 2027 calendar year. This agenda item will also include appointing a new President and Vice President for the 2027 calendar year and the board will set and approve the regular meeting calendar for the 2027.
3. District #2 Board Member recruitment is ongoing, and Appointment will be considered when timely applications have been received.
4. January 26th, 2027, the Board President will make Board committee appointments.

G. ADJOURNMENT: President Alcorn adjourned the meeting at 7:22 p.m.

APPROVED BY THE BOARD: _____

Michael H. Alcorn, President

RESPECTFULLY SUBMITTED: _____

Drew A. Lander, Secretary

Sunnyslope Water District

Disbursement Reports FY 26-27

October 1, 2026 through October 31, 2026

Date	Num	Name	Amount	Type
10/1/2026	55578	Abraham Romero	250.00	Payroll
10/1/2026	55579	Ace Hardware (Johnson Lumber Co.)	548.02	Vendors
10/1/2026	55580	Atlas Copco Compressors LLC	26,741.05	Vendors
10/1/2026	55581	Brigantino Irrigation	234.00	Vendors
10/1/2026	55582	City of Hollister-Finance Dept	498,341.00	Hollister
10/1/2026	55583	DiBuduo & DeFendis Insurance Brokers, LLC	74.00	Vendors
10/1/2026	55584	exceedio	6,318.81	Vendors
10/1/2026	55585	Ferguson Enterprises, Inc.	173.19	Vendors
10/1/2026	55586	Grainger, Inc.	140.93	Vendors
10/1/2026	55587	Iconix Waterworks (US) Inc.	399.98	Vendors
10/1/2026	55588	John Smith Road Landfill	3,804.87	Vendors
10/1/2026	55589	Mc Master-Carr	78.04	Vendors
10/1/2026	55590	Mission Uniform Service	563.00	Vendors
10/1/2026	55591	Multi Service Technology Solutions, Inc	5,238.73	Vendors
10/1/2026	EFT0000340	Net Pay	81,014.04	Payroll
10/1/2026	55592	Pentair Water Group, Inc.	98,424.29	Vendors
10/1/2026	55593	Ridgemark Homeowners Association	70.00	Vendors
10/1/2026	55594	Robert Hillebrecht	174.79	Vendors
10/1/2026	55595	San Benito County Water District	341,025.22	San Benito
10/1/2026	55597	Star Concrete	854.61	Vendors
10/1/2026	55598	State Water Resources Control Board-DWOCP	112.00	Vendors
10/1/2026	55599	Toro Petroleum Corp.	73.61	Vendors
10/1/2026	EFT0000341	Total Tax	19,746.42	Payroll
10/1/2026	55600	USA Blue Book	2,139.71	Vendors
10/2/2026	55601	SARAH R. LOPEZ	91.29	Customer
10/2/2026	55603	THE DON CHAPIN COMPANY INC,	318.30	Customer
10/2/2026	55602	WILLIAM ANDERSON	79.42	Customer
10/3/2026	DFT0001293	CalPERS - Retirement	23.08	Payroll
10/3/2026	DFT0001290	CalPERS - Retirement	7,710.39	Payroll
10/3/2026	DFT0001299	CalPERS - Retirement	11,496.57	Payroll
10/3/2026	DFT0001292	Nationwide Retirements Solutions	1,112.00	Payroll
10/3/2026	DFT0001300	Nationwide Retirements Solutions	10,968.58	Payroll
10/3/2026	DFT0001296	Sterling Administration Health	148.00	Payroll
10/7/2026	55604	A-1 Services	504.00	Vendors
10/7/2026	55605	Ace Hardware (Johnson Lumber Co.)	44.77	Vendors
10/7/2026	55606	Alvin Do	81.11	Payroll
10/7/2026	55607	Amazon Capital Services	363.91	Vendors
10/7/2026	55608	Brenntag Pacific, Inc.	18,177.89	Vendors
10/7/2026	55609	ELC Consulting Inc.	15,234.91	Vendors
10/7/2026	55637	GEORGE YAO & LIANBAO ZHANG	200.98	Customer
10/7/2026	55610	Iconix Waterworks (US) Inc.	1,048.10	Vendors
10/7/2026	55611	Mission Uniform Service	631.14	Vendors
10/7/2026	55638	RICHMOND AMERICAN HOMES	318.30	Customer
10/7/2026	55612	San Benito County Water District	439.00	San Benito
10/7/2026	55613	Toro Petroleum Corp.	3,305.49	Vendors
10/7/2026	55614	U.S. Bank Corporate Payment Systems	784.18	Vendors
10/7/2026	55615	ULINE	1,304.42	Vendors
10/7/2026	55616	Verizon Connect	238.05	Vendors
10/7/2026	55617	Waste Resource Recovery, Inc.	1,800.00	Vendors
10/14/2026	55618	Ace Hardware (Johnson Lumber Co.)	76.45	Vendors
10/14/2026	55619	AT&T	387.42	Vendors

10/14/2026 55620	Auto Tech Service Center, Inc.	2,500.00	Vendors
10/14/2026 55621	EBCO Pest Control	82.00	Vendors
10/14/2026 55622	Foster & Foster, Inc.	7,700.00	Vendors
10/14/2026 55623	Hach Company	1,161.09	Vendors
10/14/2026 55624	Hollister Auto Parts, Inc.	17.47	Vendors
10/14/2026 55625	Hollister Paint Co.	86.23	Vendors
10/14/2026 55626	ICON Cloud Solutions, LLC	297.95	Vendors
10/14/2026 55627	InfoSend	3,495.10	Vendors
10/14/2026 55628	Leisure West Camper Shells, Inc	7,789.95	Vendors
10/14/2026 55629	Mc Master-Carr	61.30	Vendors
10/14/2026 55630	Mission Uniform Service	563.00	Vendors
10/14/2026 55631	Motion Industries, Inc.	899.91	Vendors
10/14/2026 55632	Raftelis Financial Consultants, Inc.	6,328.75	Vendors
10/14/2026 55633	San Benito County Water District	10,993.31	San Benito
10/14/2026 55634	Toro Petroleum Corp.	686.16	Vendors
10/14/2026 55635	Trans Union LLC	137.29	Vendors
10/14/2026 55636	Wright Bros. Indust. Supply	122.93	Vendors
10/15/2026 55639	Ace Hardware (Johnson Lumber Co.)	157.06	Vendors
10/15/2026 55640	Brenntag Pacific, Inc.	11,491.61	Vendors
10/15/2026 55641	Brigantino Irrigation	414.11	Vendors
10/15/2026 55642	DXP Enterprises, Inc.	3,892.50	Vendors
10/15/2026 55643	Frank A Olsen Co.	4,194.69	Vendors
10/15/2026 55644	Mark Nicholson, Inc.	8,626.68	Vendors
10/15/2026 EFT0000342	Net Pay	81,824.26	Payroll
10/15/2026 55645	PTC Inc.	358.00	Vendors
10/15/2026 55646	Quinn Company	24,962.35	Vendors
10/15/2026 55647	RJR Recycling	123.63	Vendors
10/15/2026 55648	Star Concrete	435.91	Vendors
10/15/2026 55649	Toro Petroleum Corp.	37.09	Vendors
10/15/2026 EFT0000343	Total Tax	20,101.40	Payroll
10/15/2026 DFT0001312	CalPERS - Retirement	23.08	Payroll
10/15/2026 DFT0001308	CalPERS - Retirement	11,593.55	Payroll
10/15/2026 DFT0001302	Nationwide Retirements Solutions	1,112.00	Payroll
10/15/2026 DFT0001291	Nationwide Retirements Solutions	10,968.58	Payroll
10/19/2026 55650	Katch Environmental, Inc.	1,827,547.56	Vendors
10/22/2026 55651	ACC Business	1,339.24	Vendors
10/22/2026 55652	Ace Hardware (Johnson Lumber Co.)	424.95	Vendors
10/22/2026 55653	ACWA/JPIA	20,909.12	Vendors
10/22/2026 55654	Amazon Capital Services	227.87	Vendors
10/22/2026 55655	Brenntag Pacific, Inc.	5,124.00	Vendors
10/22/2026 55656	Brigantino Irrigation	80.59	Vendors
10/22/2026 55668	FERRIS GONZALEZ	5.70	Customer
10/22/2026 55657	Iconix Waterworks (US) Inc.	272.38	Vendors
10/22/2026 55666	JOHN FLANIKEN	149.43	Customer
10/22/2026 55658	Jones Hall, LLP	25,000.00	Vendors
10/22/2026 55659	Jose Rodriguez	159.00	Payroll
10/22/2026 55660	Maggiora Bros. Drilling, Inc.	289.51	Vendors
10/22/2026 55661	Mc Kinnon Lumber Co., Inc.	89.52	Vendors
10/22/2026 55662	Mission Uniform Service	621.48	Vendors
10/22/2026 55667	NOE EDUARDO ZUNGIA ARREZ	28.74	Customer
10/22/2026 55669	RICHMOND AMERICAN HOMES	294.21	Customer
10/22/2026 55663	State Water Resources Control Brd-WWOPCP	271.00	Vendors
10/22/2026 55664	Toro Petroleum Corp.	2,709.88	Vendors

10/22/2026	55665	USA Blue Book	7,469.58	Vendors
10/28/2026	55670	Ace Hardware (Johnson Lumber Co.)	79.24	Vendors
10/28/2026	55671	CivicPlus, Inc.	10,080.00	Vendors
10/28/2026	55672	Extreme Air, Inc.	10,176.00	Vendors
10/28/2026	55673	Hach Company	867.74	Vendors
10/28/2026	55674	Hollister Auto Parts, Inc.	378.67	Vendors
10/28/2026	55675	Iconix Waterworks (US) Inc.	1,063.27	Vendors
10/28/2026	55676	Jacob Machado	100.00	Payroll
10/28/2026	55677	Mission Uniform Service	563.00	Vendors
10/28/2026	55678	Robert Hillebrecht	250.00	Payroll
10/28/2026	55679	San Benito County Water District	2,183.02	San Benito
10/28/2026	55680	San Benito Tire Pros & Automotive	1,111.42	Vendors
10/28/2026	55681	Star Concrete	547.34	Vendors
10/28/2026	55682	Verizon Wireless	867.41	Vendors
10/29/2026	EFT0000344	Net Pay	86,885.46	Payroll
10/29/2026	EFT0000345	Total Tax	20,932.00	Payroll
10/30/2026	DFT0001304	ADP	2,528.74	Vendors
10/30/2026	DFT0001307	CalPERS - Health Insurance	37,252.81	Payroll
10/30/2026	DFT0001303	CalPERS - Retirement	23.08	Payroll
10/30/2026	DFT0001301	CalPERS - Retirement	7,746.14	Payroll
10/30/2026	DFT0001309	CalPERS - Retirement	7,908.43	Payroll
10/30/2026	DFT0001289	CalPERS - Retirement	11,500.93	Payroll
10/30/2026	DFT0001297	Colonial Life	2,515.14	Payroll
10/30/2026	DFT0001295	iCloud	16,138.56	Vendors
10/30/2026	DFT0001311	Nationwide Retirements Solutions	1,112.00	Payroll
10/30/2026	DFT0001310	Nationwide Retirements Solutions	10,968.58	Payroll
10/30/2026	DFT0001298	PG&E CFM/PPC Department	36,445.24	Vendors
10/30/2026	DFT0001294	Principal	5,127.64	Payroll
10/30/2026	DFT0001305	Sterling Administration Health	255.00	Payroll
10/30/2026	DFT0001306	Sterling Administration Health	1,293.80	Payroll
			3,556,581.42	

S U M M A R Y:

Accounts Payable Paid to:	
Vendors	$2,249,910.43
Payroll - Employee	$452,203.07
San Benito County	$354,640.55
City of Hollister for City Billing Collected, Net of Fees	$498,341.00
Customer Refunds & Returned Checks/ACH	$1,486.37
Debt & Finance	$0.00
Total Disbursements	**$3,556,581.42**

Staff Report

Agenda Item: **H – 3**

DATE: November 13, 2026 (November 17, 2026 Meeting)

TO: Board of Directors

FROM: Associate Engineer, Alvin Do
Principal Engineer, Rob Hillebrecht P.E.

SUBJECT: Engineering Services Monthly Status Report

Small Water Systems Consolidation Project
Engineering staff have been prioritizing efforts with the project construction management team to minimize delays and to ensure everything is properly constructed according to the plans and specifications. As the completion deadline gets closer, Katch Environmental Inc. has adjusted to longer working hours and alternate construction strategies to make certain the project finishes on time. Schedule is a top concern due to the strict time limits on the grant funding. Sunnyslope is working with DDW to amend our distribution system permit to consolidate Harbern Way, Stonegate, and Tres Pinos.

In Ridgemark, Katch finished connecting pipe sections together so the full 2,500 ft of pipe is installed and proceeding with testing. The Ridgemark segment is anticipated to be tied in by late November. A backflow preventer was installed at Fairview Corners in the second week of November to supply water for filling and testing pipes in Harbern Rd, Best Rd, Foxhill Cir, and out to Stonegate. The majority of appurtenances have been installed by Katch as they finalize this section. On Foxhill Circle, Katch has been installing new service lines, new hydrants, and connecting pipes in that neighborhood. At the Foxhill tank site, Katch poured a tank diversion wall foundation and is preparing for site piping. Crosno is planned to come back in December to disinfect the new tank and then modify the existing 125,000-gallon Foxhill tank and the Stonegate tank. Slip-lining 12" water pipes at Nino's property is anticipated to happen in mid-November. In the Stonegate development, Katch finished installing pipes from the Stonegate tank down to Diablo Hills Rd and is preparing to cross the PG&E gas line to connect to the point left by the HDD subcontractor last month. At Quien Sabe Rd, after receiving approval from Caltrans, Katch began open trenching across Airline Hwy to install the casing. Due to difficult soil conditions, the initially planned Jack and Bore was not feasible. Katch has been loading water into the pipeline section by section. Katch is working to schedule the connection and testing for the new pipe in Bolado Rd and Southside Rd near Tres Pinos. They have started to road work to fully reconstruct Bolado Rd. We also continue to press San Benito County to approve the repaving of all Harbern Way as part of this project.

Best Road Mutual Water Company Consolidation & Well 5/Lessalt Blending Station
The additional funding request submitted to the Department of Water Resources (DWR) to cover additional expenses on the John Smith Road Pipeline Project was approved. The related improvements to Well 5 and Lessalt Blending Stations (which address potential CrVI issues for customers of the Foxhill Zone) are progressing. Engineering staff and the Wallace Group have been working toward 90% plans in November. Prepurchase of key equipment is being considered for December. Construction is estimated for early 2027.

Enterprise Garage and Well 7 Booster Station
Several design meetings with the designers in September and October focused on the preliminary plans and ensured the District's desires were thoroughly considered. The preliminary plans are expected to be delivered in early November for review. Building pricing is being obtained to establish budgetary construction costs.

Insertion Valve Project
The training was completed as scheduled. Sunnyslope staff, Hydra-Stop trainer, and Daleo coordination occurred without any issues. Four of the five planned insertion valves were installed on Ridgemark Dr. to replace broken valves and reinforce Sunnyslope's operational control over that area. The pavement restoration was also completed on the following Monday. One valve did not pass its pre-tap pressure test indicting a defect so was returned to the manufacture for replacement. A new valve was delivered and will be scheduled as soon as staff availability and weather permit. Additional insertion valve installations will be planned for 2027, improving our control of the distribution system.

ADRoP
The construction of infrastructure is substantially completed for the West Hills upgrade phase. West Hills Water Treatment Plant was back online in November. The aquifer storage and recovery (ASR) well sites are being developed and pipeline construction in San Felipe and Fallon is largely complete. Sunnyslope and SBCWD are working with Hollister to organize and ratify an operational strategy for ensuring West Hills water can be effectively delivered through Hollister's distribution system to the ASR wells during injection.

Hexavalent Chromium (CrVI) Response Plan
Well 7 CrVI annual average exceeds the MCL; Sunnyslope staff planned to include Well 7 treatment strategies in the Compliance Plan and Operations Plan, along with a permit amendment to DDW. Since Well 7 has been offline, staff have been unable to conduct experimental studies for Well 7. Engineering staff expect to submit the Compliance plan, Operation plan and Permit Amendment to DDW in December after additional sampling has occured.

Residential Developments

Fairview Corners Phase 3

Fairview Corners Phase 3 is under design phase. Engineering staff have been reviewing the plans, ensuring the District's needs are implemented in the design.

Lands of Lee

Lands of Lee is also under the design phase. Engineering staff have worked closely with developer's engineers to produce development plans and a new lift station plan that implements the District's requirements.

Santana Ranch Phase 8

Santana Ranch Phase 8 warranty period ended in September. Staff released the deposit and the warranty bonds to Anderson Homes.

Santana Ranch Phase 9

Santana Ranch Phase 9 warranty period ended in November. Staff have been interdepartmentally finalizing their deposit to release the warranty bonds.

San Benito High School Best Road & Hwy 25 Educator Workforce Housing

Engineering staff met with San Benito High School staff and partners to discuss their proposed educator workforce development along Best Rd. Sunnyslope outlined the technical and political hurdles to providing water and wastewater service for their development. Sunnyslope also submitted written comments to the San Benito County Planning Department concerning the project.

West of Fairview Phase 3

Staff conducted a Final Inspection and provided the developer with a Final Punch List of items.

Fulton Way

The 10-unit development at the end of Fulton Way was purchased by another developer to finish. Sunnyslope Board approved a new agreement with the developer to provide water service. Discussions are being had about the final conditions of Well #12 site for Sunnyslope's acceptance.

Vista Del Calabria

Staff are reviewing the actual construction cost of the Enterprise Lift Station as it relates to Sunnyslope's fair share of the cost. That share would be applied as a Sewer Capacity Fee Credit to the developer, as was originally approved in the Development Agreement. Once fully negotiated, the Board must approve an amendment to the agreement, changing the credit to the new negotiated value. The project is moving forward with Phase 3, engineering staff met with developer's designer to ensure that the District's requirements and standards are satisfied.

Staff Report

Agenda Item: **H – 4**

DATE: November 13, 2026 (November 17, 2026 Meeting)

TO: Board of Directors

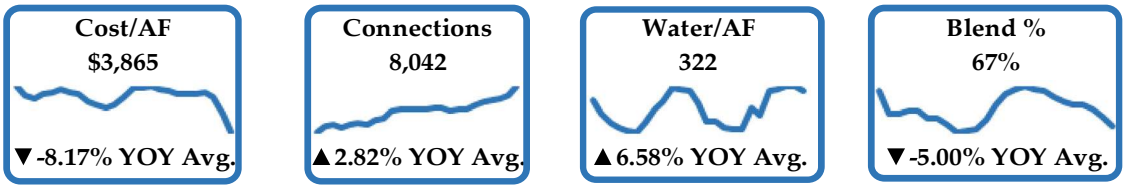
FROM: Assistant Finance Manager, Dana Sullivan
Finance Manager, Barry Kelly

SUBJECT: Statements of: a. Operations, b. Income, c. Investment, and d. Board Designated Reserves.

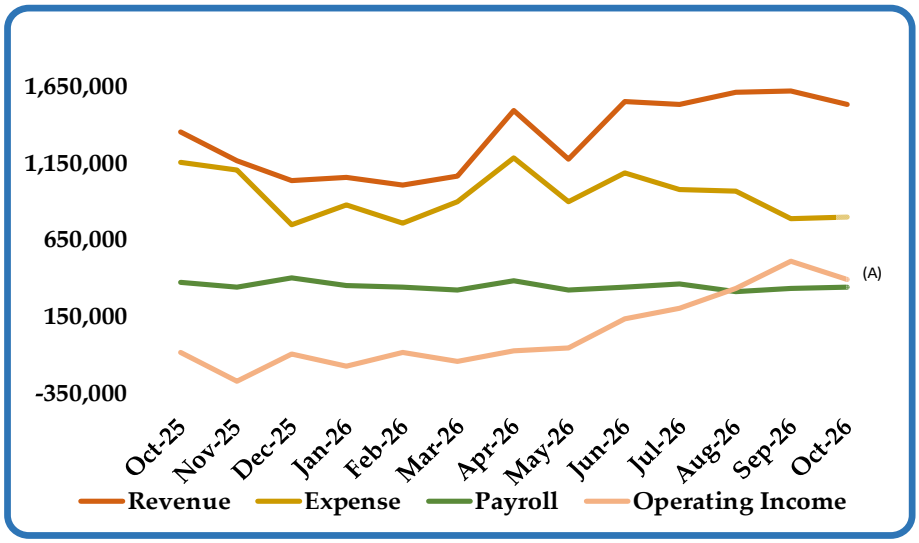
OVERVIEW

(October 2026)

12-Month Rolling Average Trend



Current Year Operations

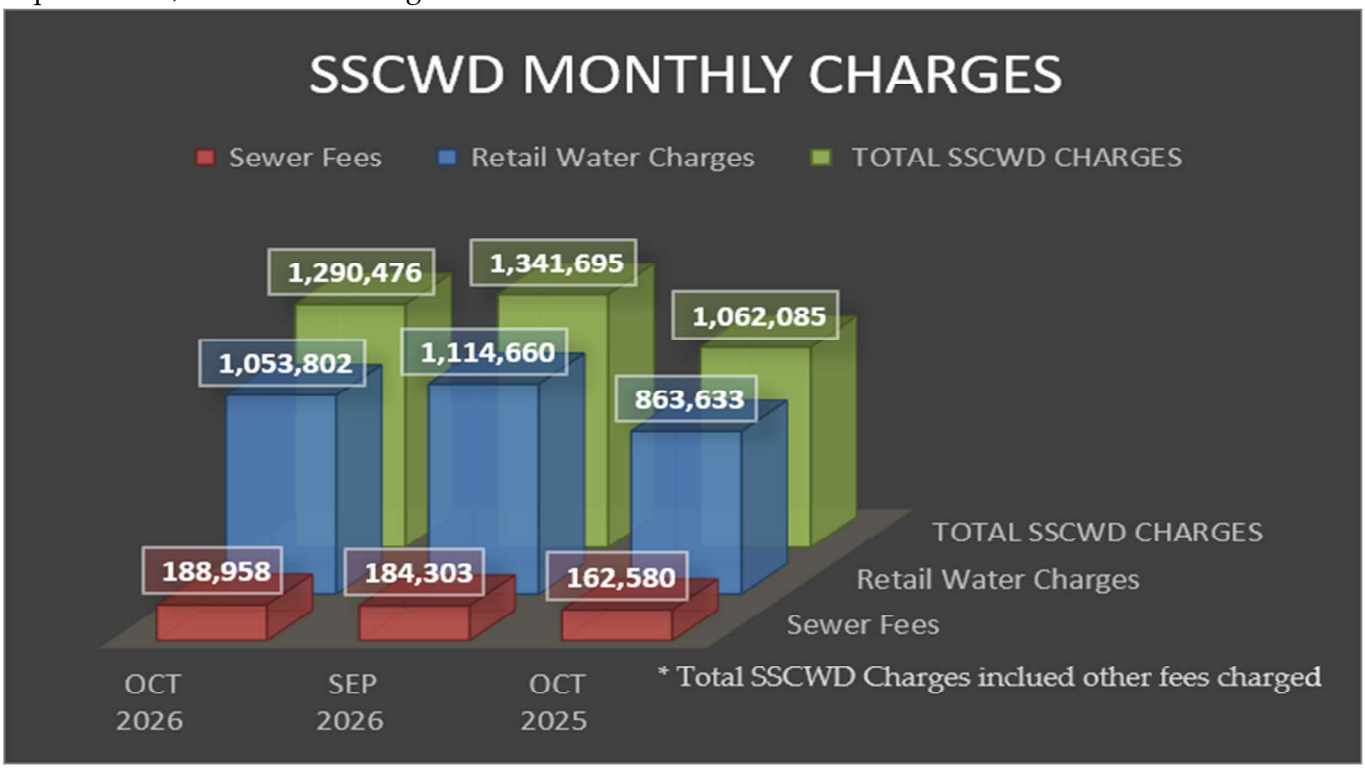


(A) **Operating income continues to improve, supported by responsible spending, reduction in raw water costs, and ongoing cost-saving efforts. Both October & September reflects a significant reduction in operating ecpenses, primarily due to West Hills being temporarily offline for the ADRoP Project, bringing operating income into a positive position.**

OPERATIONS SUMMARY (October 2026)

The Operations Summary provides a high-level snapshot of the District's operational activity for the current fiscal year. It is designed to show trends in customer accounts, billing activity, water production and usage, revenue charges, and accounts receivable in a single consolidated view. This report allows readers to understand how the District's systems are performing operationally over time, identify emerging trends, and support financial and operational decision-making without requiring detailed technical knowledge of day-to-day operations. During October 2026, the District added 4 new water connections. The District served 8,136 active customers, with 6,550 utilizing online services and electronic payments. Financially, year-to-date revenue for FY 2026-2027 stands at $5m. Receivables from operations total $1.8m, with a past due portion of 6.3%. As of month-end, O&M receivables total $240k.

As the District progresses through FY 2026–27, we continue to experience positive financial trends, with improving operating income, responsible spending, and ongoing cost-saving efforts contributing to a stronger financial position. Increased customer connections and seasonal water demand have supported higher water revenues during the warmer months. Additionally, the West Hills Water Treatment Plant has been temporarily offline due to the ongoing capital expansion project, resulting in reduced operating expenses associated with raw water purchases, power, and treatment chemicals. The reduction in expenses have contributed to the recent improvement in operating income. However, as we approach the winter months, water consumption and associated revenues are expected to gradually decline, and operating expenses will return as West Hills resumes full operation. While these seasonal and temporary factors influence current results, the District remains focused on maintaining long-term financial stability through responsible spending, operational efficiencies, and continued monitoring of revenues and expenditures, all while ensuring reliable service to our customers.



OPERATING STATISTICS (October 2026)

The Operating Stats section presents key performance indicators that illustrate the District's financial and operational performance over time using rolling averages and trend analysis. This section focuses on operating income, revenue and expense behavior, cost efficiency, and water production characteristics to help identify longer-term patterns rather than month-to-month fluctuations. The charts and trends are intended to support strategic evaluation of rate impacts, cost control efforts, and overall operational sustainability. The average water operating income year to date has increased year-over-year, reflecting the positive financial impact of the rate adjustments developed through the District's Raftelis Water Rate Study. The District's 12-month rolling average cost per acre-foot is approximately $3.7k. The unit cost per acre-foot decreased year-over-year, primarily due to the reduction in raw water and reliability water rates implemented by the San Benito County Water District, effective March 1, 2026. A key operational indicator, the 12-Month Blend Percentage Trend, demonstrates the District's ongoing strategy to balance surface water and well water use for water quality and regulatory compliance. The average blend over the 12-month period is approximately 67% surface water.

STATEMENT OF INCOME VS BUDGET (October 2026)

The Budget to Actual section compares the District's adopted budget to actual financial results for the current fiscal year. This report highlights how revenues and expenses are tracking against planned expectations, identifies variances as they occur, and provides year-to-date context alongside prior-year comparisons. The report is intended to help readers assess financial performance, monitor cost control, and evaluate whether operations are aligning with the approved budget as the fiscal year progresses. The District's year-to-date (YTD) financial performance for fiscal year 2026–2027 reflects a net operating gain of $1.5M, compared to a $370k gain for the same period last fiscal year. During the past two months the District has not purchased CVP water for West Hills, which contributes to these gains. The District is starting Fiscal Year 2026–2027 in a strong position, with operating results currently outperforming the same period in the prior fiscal year. While it is still early in the fiscal year, the positive YTD results provide an encouraging start. Staff will continue to closely monitor financial activity throughout the year, with particular attention to revenue trends, operating expenditures, and overall budget performance to ensure the District remains on track as the fiscal year progresses.

INVESTMENT SUMMARY (October 2026)

The Investment Summary provides an overview of the District's cash and investment holdings for the current fiscal year. This section summarizes where funds are held, and how balances change over time, along with the interest earned. The report is intended to give readers visibility into liquidity, reserve positioning, and overall investment activity while demonstrating compliance with the District's investment strategy and prudent cash management practices. The District's cash and invested funds total $24m, with $21m earning interest at rates ranging from 1.1% to 4.5%. YTD income from these investments is $177k. While these earnings provide a valuable source of non-operating revenue and help preserve the purchasing power of District reserves against inflation, they do not substitute sustainable operating

revenues. Investment income is dependent upon market conditions and interest rate environments, both of which can fluctuate significantly over time. Additionally, investment earnings are allocated monthly among the District's various reserve funds based on each reserve's proportional share of total invested assets. Because a substantial portion are designated restricted reserves for specific future purposes, most of the related investment earnings are likewise restricted. Consequently, much of the investment income generated during the year is not available to support day-to-day operations and is excluded when evaluating the District's core operating performance.

ACCOUNTS RECEIVABLE (October 2026)

The Accounts Receivable report provides a snapshot of outstanding customer balances at a point in time. While this information is not separately reported within the District's formal financial statements, it is included in this report to provide transparency into current billing activity, collection status, and trends in receivables. This information supports operational oversight by highlighting where balances stand, identifying potential collection risks, and helping staff monitor payment behavior as part of ongoing financial management. As of October 2026, the District is carrying $9.3M in Other Receivables, which isn't reported on in the Operations Summary report. Much of this balance is pending reimbursement through the water system consolidation projects currently in progress but this number also includes $3M of capital project investment by Sunnyslope which may qualify for reimbursement in future grant awards. Projects underway include:

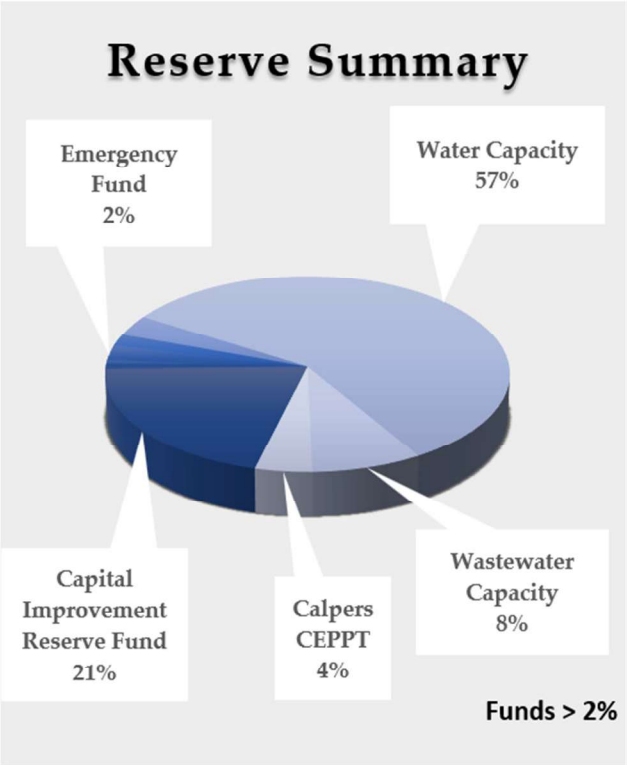
Best Roads Consolidation Project: As of October 2026, the District recorded approximately $618k in receivables related to the Best Roads Consolidation Project. As the project concludes, the final payments will be reconciled with the District's share of the improvements which have been planned as capital improvement expenditures from capital development reserves. Sunnyslope has committed $750,000 in District capital for improvements at Well #5 and construction of a blending station at Lessalt will be coming to the board for approval in the future. Additional grant funds totaling $270,000 have been awarded to this project, and $250,000 in capital investment will be turned over to Sunnyslope directly from Best Road Mutual Water Company. The District is currently sitting in the positive demonstrating a successful project.

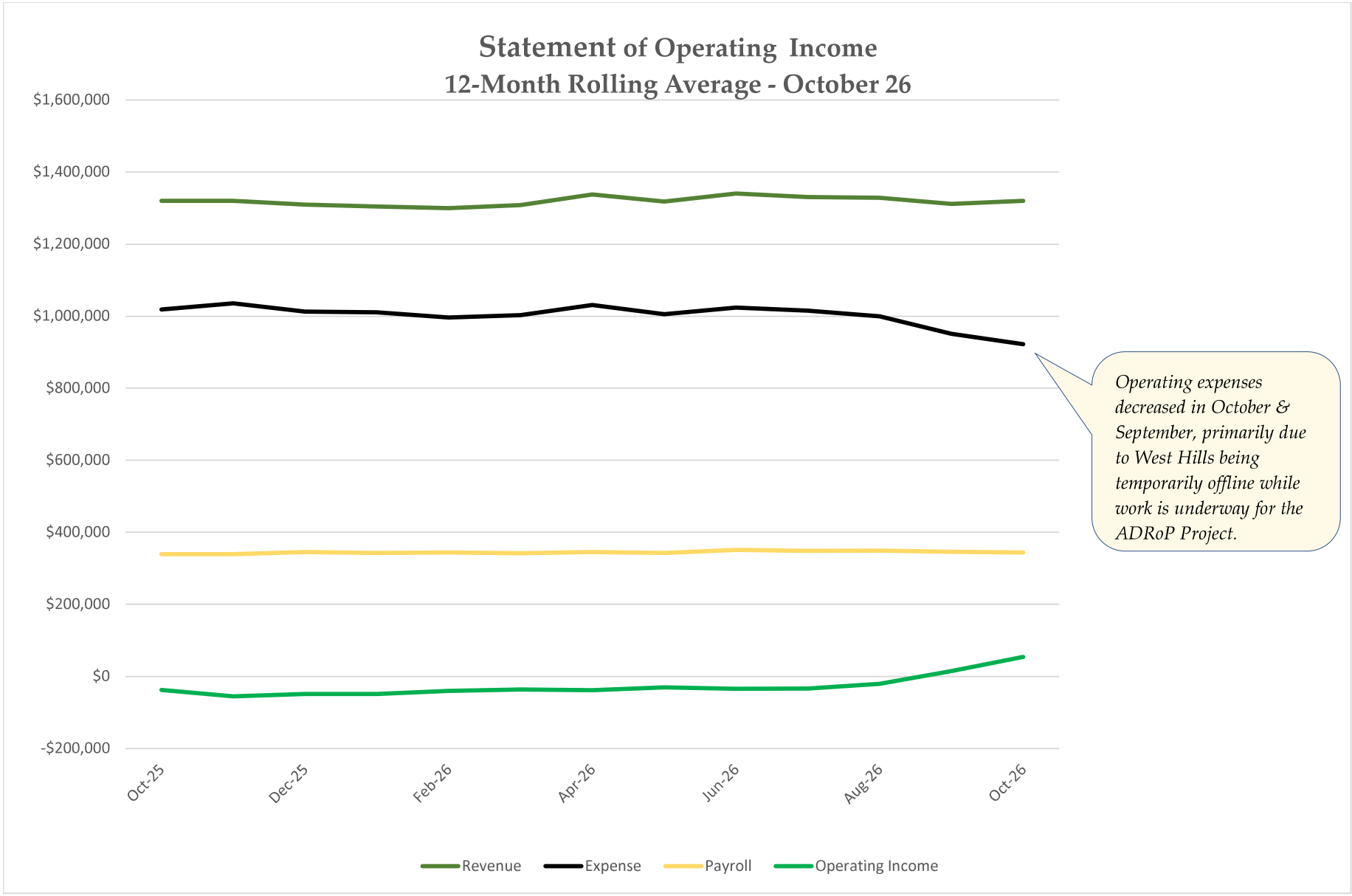
The Small Water Systems Consolidation With Sunnyslope Project: As of October 2026, the Small Water Systems Consolidation Project reflects approximately $8.7 million in outstanding receivables. As part of the project, the District continues to temporarily fund project-related expenditures while awaiting reimbursement through the County-administered grant. The County and District MOU agreed to 30-day invoicing however County staff turnover has made timely processing of billing very difficult. Applying interest to outstanding payments is under consideration. None of the District funds are at risk of not being reimbursed. The joint agency MOU clearly puts the burden of final funding on the County. At the conclusion of the project the district will accept more than $2.0M in direct benefit improvements. Recent staff turnover at the County has been the contributing factor impacting payment processing delays. Progress continues to be made with advancing these reimbursements. In early October, the District received a reimbursement payment of approximately $549k and a payment of $600k at the end of October. Additionally, with the assistance of Wallace Group, which prepares the grant reimbursement

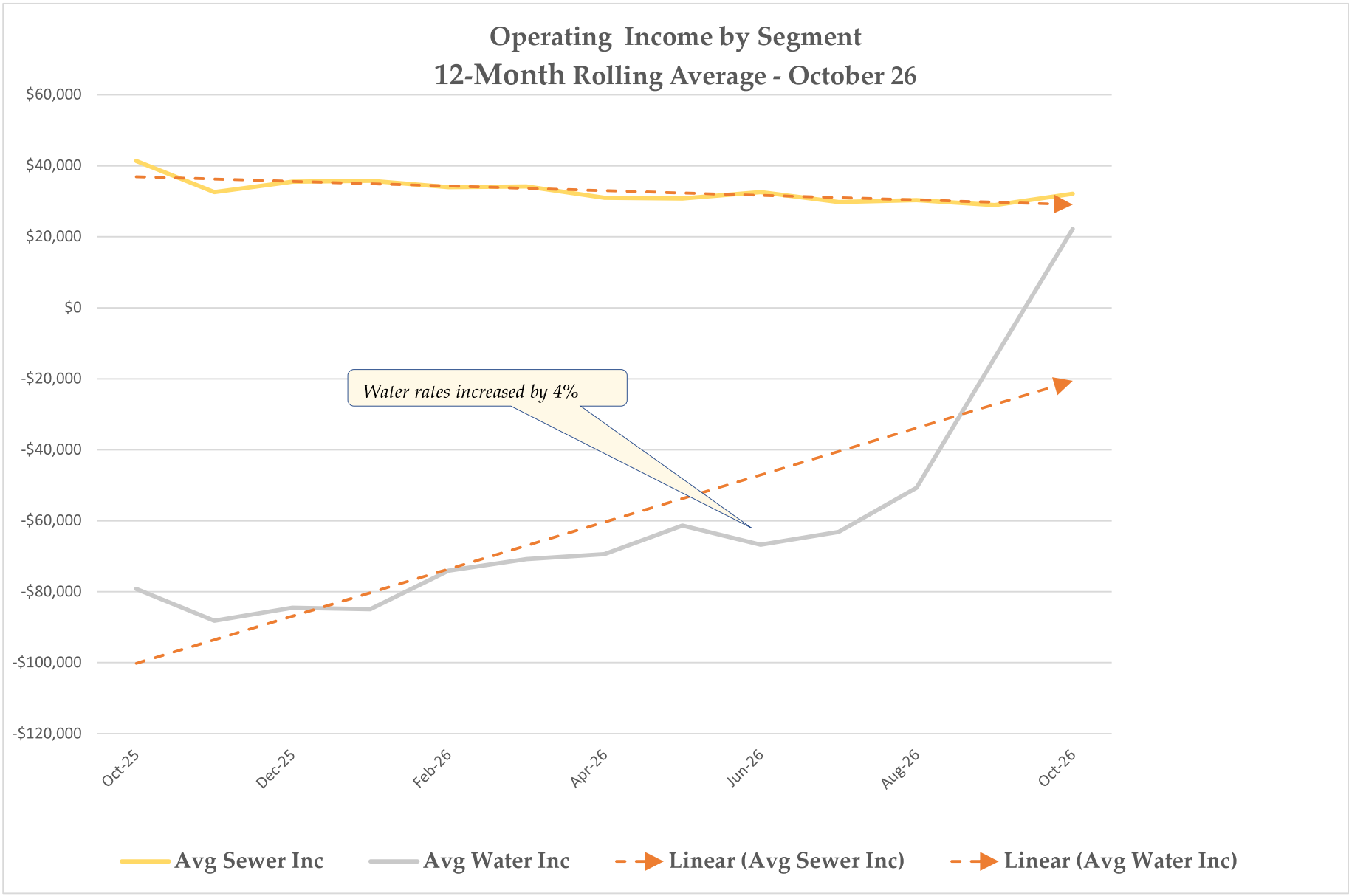
requests, the District has submitted approximately $3.5 million in reimbursement requests to San Benito County for processing.

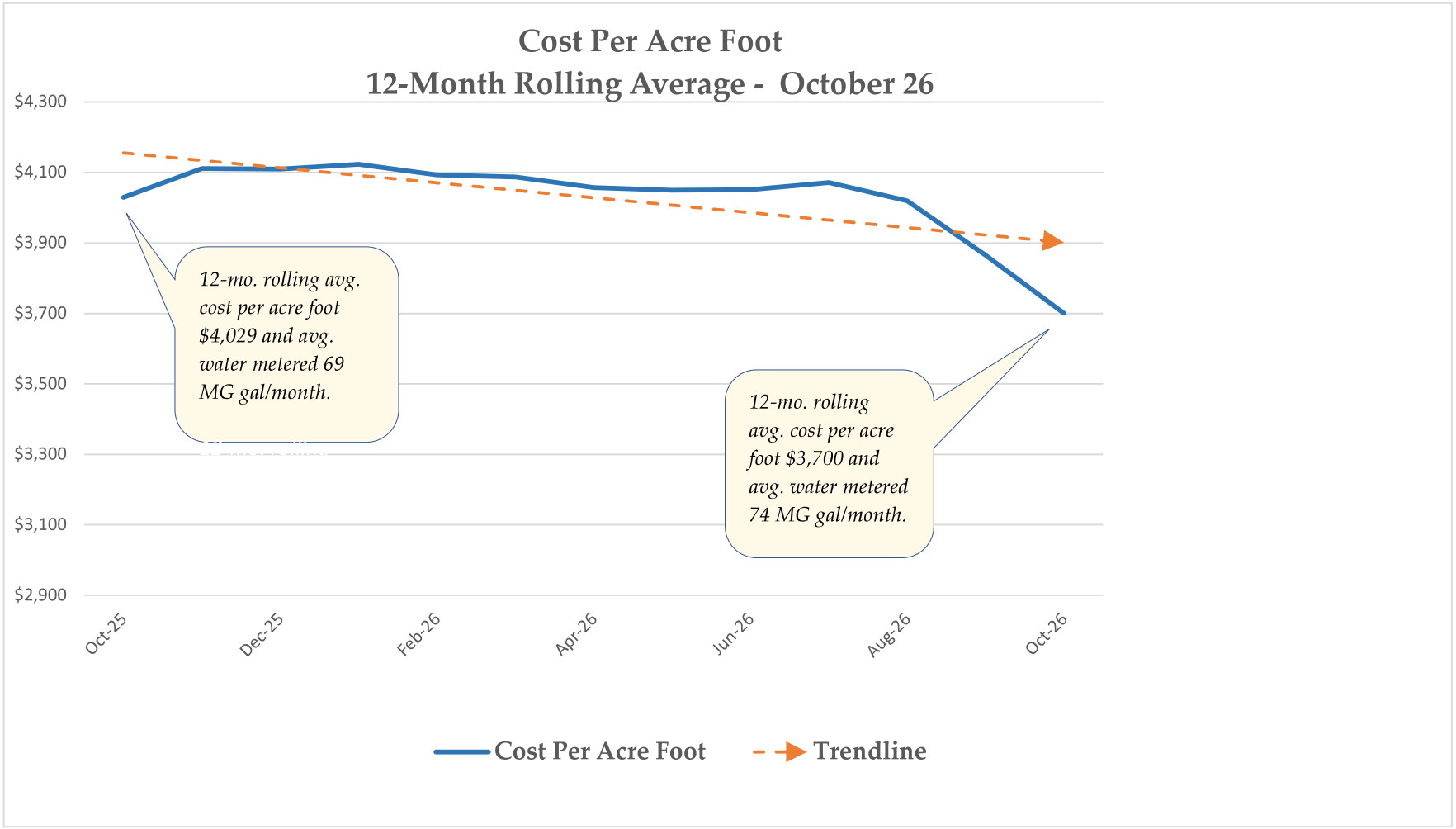
RESERVES (October 2026)

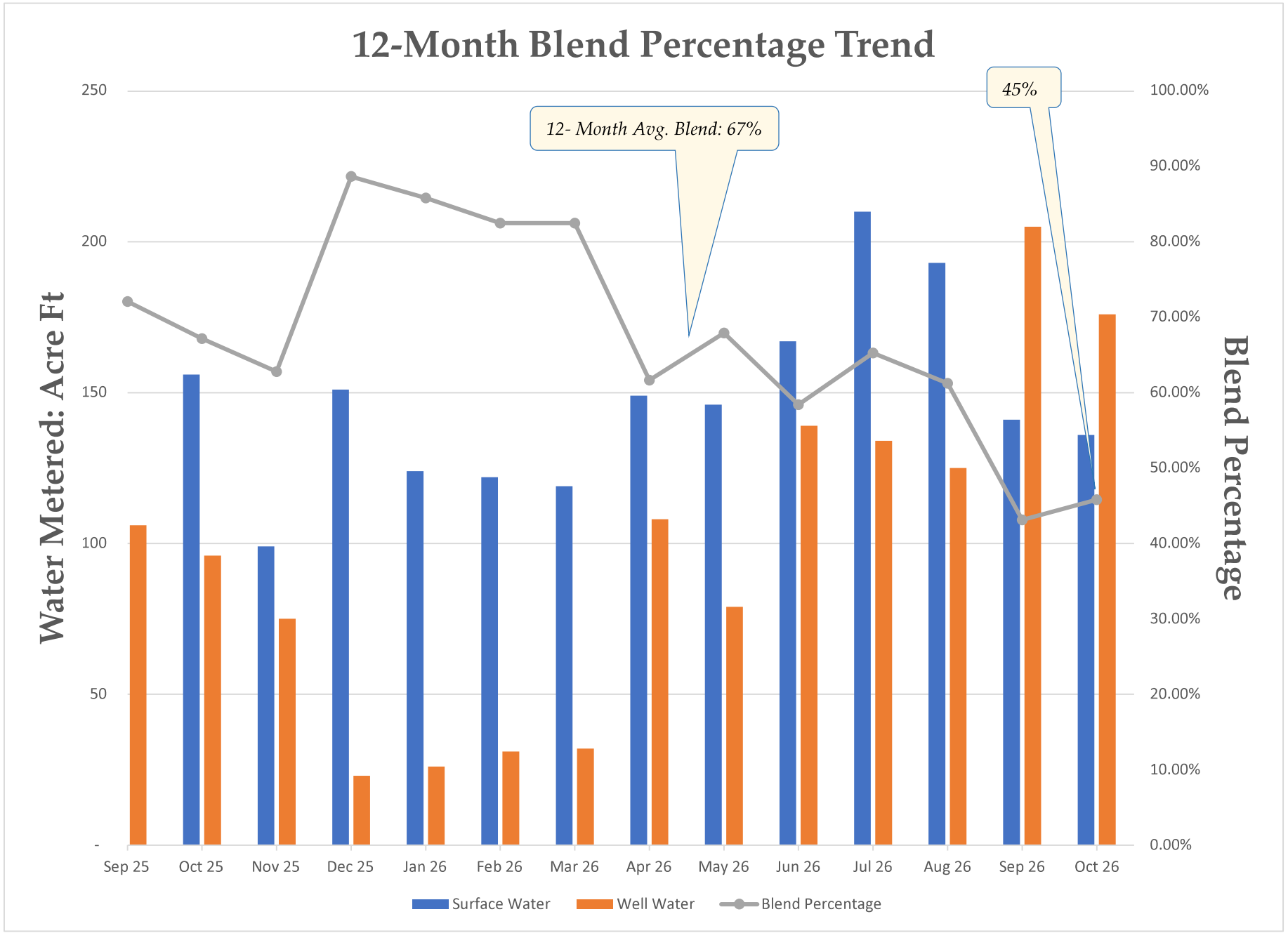
There are three major types of reserve funds: Legally Restricted Reserves, Board Designated Reserves, and Unrestricted Reserves. Legally Restricted Reserves have restrictions imposed by specific legal constraints, such as bond covenants, contractual obligations, or other restrictions. Board Designated Reserves are set aside for a specific purpose as determined by action of the Board of Directors. The Board of Directors has the authority to redirect the use of these reserves as the needs of the District change. Unrestricted Reserves are required for adequate cash flow to meet operating needs, are planned for a source of funding the Capital Improvement Program, and to assist in providing for orderly rate increases. The District's reserves total $26.7m, representing 43.29% of capitalized assets. The Vehicle Replacement Fund and Office and Miscellaneous Equipment Replacement Fund operate as sinking funds, allowing the District to gradually set aside resources for the future replacement of vehicles and equipment as they reach the end of their useful lives. This approach helps spread replacement costs over multiple years rather than requiring the District to absorb a significant expenditure in a single fiscal year. Beginning in FY 2026–27, staff reevaluated these sinking funds in accordance with Reserve Policy No. 8600, Section 8600.4(B), Board Designated Reserves. The policy specifically provides for a Vehicle Replacement Fund based on annualized depreciation and Office and Miscellaneous Equipment Replacement Fund to accumulate resources for planned equipment replacement. The sinking funds are replenished from unrestricted District resources through the adopted fiscal year budget and are maintained as Board-designated reserves for future replacement needs.




Statement of Operating Income
12-Month Rolling Average - October 26
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
-$200,000
Oct-25
Dec-25
Feb-26
Apr-26
Jun-26
Aug-26
Oct-26
Revenue
Expense
Payroll
Operating Income
Operating expenses decreased in October & September, primarily due to West Hills being temporarily offline while work is underway for the ADRoP Project.


Operating Income by Segment
12-Month Rolling Average - October 26
$60,000
$40,000
$20,000
$0
-$20,000
-$40,000
-$60,000
-$80,000
-$100,000
-$120,000
Water rates increased by 4%
Oct-25
Dec-25
Feb-26
Apr-26
Jun-26
Aug-26
Oct-26
Avg Sewer Inc
Avg Water Inc
Linear (Avg Sewer Inc)
Linear (Avg Water Inc)


Cost Per Acre Foot
12-Month Rolling Average - October 26
$4,300
$4,100
$3,900
$3,700
$3,500
$3,300
$3,100
$2,900
Oct-25
Dec-25
Feb-26
Apr-26
Jun-26
Aug-26
Oct-26
12-mo. rolling avg. cost per acre foot $4,029 and avg. water metered 69 MG gal/month.
12-mo. rolling avg. cost per acre foot $3,700 and avg. water metered 74 MG gal/month.
Cost Per Acre Foot
Trendline


12-Month Blend Percentage Trend
12- Month Avg. Blend: 67%
45%
Water Metered: Acre Ft
Blend Percentage
250
200
150
100
50
-
100.00%
90.00%
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
Sep 25
Oct 25
Nov 25
Dec 25
Jan 26
Feb 26
Mar 26
Apr 26
May 26
Jun 26
Jul 26
Aug 26
Sep 26
Oct 26
Surface Water
Well Water
Blend Percentage

Sunnyslope County Water District

2026 / 2027 OPERATION SUMMARY (This Year)

ITEMS	JULY 2026	AUG 2026	SEP 2026	OCT 2026	NOV 2026	DEC 2026	JAN 2027	FEB 2027	MAR 2027	APR 2027	MAY 2027	JUNE 2027	YTD TOTAL/ 12-month AVG
NO. WATER CAPACITY FEE RECD	-	12	5	4									21
NO. WW CAPACITY FEE RECD	-	-	-	-									-
NO. WATER ACCOUNTS	8,003	8,019	8,042	8,136									
NO. SSCWD SEWER ACCTS	1,489	1,495	1,500	1,502									
NO. COH SEWER ACCTS	5,348	5,556	5,577	5,672									
WaterSmart / Invoice Cloud													
Auto Pay	4,388	4,399	4,447	4,465									
Biller Portal	24	8	21	20									
Cloud Store	50	65	72	69									
Customer Portal	527	527	532	523									
Express Payments	229	232	202	217									
IVR	69	65	72	63									
Mobile Express Payments	544	499	492	537									
Online Bank Direct	328	301	309	305									
Pay By Text	66	62	55	65									
Scheduled Payment	36	31	42	42									
Shopping Cart	249	249	238	244									
Total WaterSmart / Invoice Cloud	6,510	6,438	6,482	6,550	-	-	-	-	-	-	-	-	
NO. E-BILL Invoice Cloud (Paperless)	3,882	3,888	3,883	3,878									
MONTHLY CHARGES													
Retail Water Charges	$ 1,074,914.76	$ 1,110,396.04	$ 1,114,660.04	$ 1,053,802.46									$ 4,353,773.30
Sewer Fees	131,862.94	181,019.10	184,303.26	188,957.59									$ 686,142.89
Installation Fees	450.00	8,520.00	4,955.00	2,840.00									$ 16,765.00
Late Fees	9,831.84	10,104.15	12,162.39	11,505.46									$ 43,603.84
Admin. Collection Fees, net	(405.99)	1,878.36	752.18	351.63									$ 2,576.18
COH Billing Fees	17,259.00	17,304.00	17,301.00	17,556.00									$ 69,420.00
Other Misc. Fees	7,879.60	7,837.73	7,561.20	15,463.31									$ 38,741.84
TOTAL SSCWD CHARGES	$ 1,241,792.15	$ 1,337,059.38	$ 1,341,695.07	$ 1,290,476.45	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,211,023.05
CITY OF HOLLISTER CHARGES													
COH Sewer Fees	507,150.18	508,601.46	510,888.13	531,161.37									$ 2,057,801.14
COH Street Sweeping	12,151.68	12,157.15	12,156.00	12,288.56									$ 48,753.39
COH Senior Discount	(1,788.90)	(1,783.06)	(1,619.78)	(1,820.39)									$ (7,012.13)
Total COH Charges	517,512.96	518,975.55	521,424.35	541,629.54	-	-	-	-	-	-	-	-	$ 2,099,542.40
Late Fees **	5,322.86	4,403.96	5,162.40	4,604.81									$ 19,494.03
TOTAL COH CHARGES	$ 522,835.82	$ 523,379.51	$ 526,586.75	$ 546,234.35	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,119,036.43
ACCOUNTS RECEIVABLE - Aged													
A/R for Sunnyslope Water **	1,274,048.47	1,355,906.46	1,394,834.61	1,348,311.80									
A/R for City of Hollister **	559,878.10	563,719.65	572,854.10	571,090.18									
Unapplied Payments	(70,308.38)	(62,708.75)	(62,508.49)	(70,059.17)									
Outstanding Bills Owed	$ 1,763,618.19	$ 1,856,917.36	$ 1,905,180.22	$ 1,849,342.81	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Past Due	$ 82,677.14	$ 83,349.87	$ 103,652.34	$ 116,590.27									
% Past Due	4.69%	4.49%	5.44%	6.30%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
SBCWD O&M Owed	$309,642.61	$321,910.25	$282,410.02	$240,452.38									
WATER METERED													
Cubic Feet	13,436,300	13,933,400	14,048,900	13,121,300									54,539,900
Total SSCWD Gallons	100,503,524	104,221,832	105,085,772	98,147,324	-	-	-	-	-	-	-	-	407,958,452
WATER SOURCE													
Well #2 (Southside Road)	5,365,000	7,916,000	19,704,000	21,237,000	-	-	-	-	-	-	-	-	54,222,000
Well #5 (Ray Cir/Enterprise)	19,324,000	21,590,000	14,429,000	14,081,000	-	-	-	-	-	-	-	-	69,424,000
Well #7 (Enterprise Rd)	4,850,914	7,602,337	12,209,043	1,026,134	-	-	-	-	-	-	-	-	25,688,428
Well #8 (Ridgemark)	2,249,135	3,128,742	3,856,040	966,051	-	-	-	-	-	-	-	-	10,199,968
Well #11 (Southside Road)	23,465,000	16,353,000	27,599,000	28,134,000	-	-	-	-	-	-	-	-	95,551,000
Net Well Intertie (Supplied to COH)	(11,604,500)	(8,876,900)	(10,954,000)	(7,968,000)									(39,403,400)
TOTAL from Wells	43,649,549	47,713,179	66,843,083	57,476,185	-	-	-	-	-	-	-	-	215,681,996
Lessalt W.T.P. I (High Zone)	27,468,000	22,401,000	26,761,000	25,670,000	-	-	-	-	-	-	-	-	102,300,000
Lessalt W.T.P. I (Middle Zone)	21,548,000	19,670,000	23,942,000	22,899,000	-	-	-	-	-	-	-	-	88,059,000
West Hills W.T.P (@ Well #2)	16,871,000	12,058,000	-	-									28,929,000
West Hills W.T.P (@ Well #11)	16,058,000	21,258,000	-	-									37,316,000
West Hills W.T.P (@ COH #2)	12,258,000	8,759,000	-	-									21,017,000
West Hills W.T.P (@ COH #4)	12,440,000	9,028,000	-	-									21,468,000
West Hills W.T.P (@ COH #5)	16,851,000	11,751,000	-	-									28,602,000
TOTAL Surface Water (Plant Production)	123,494,000	104,925,000	50,703,000	48,569,000	-	-	-	-	-	-	-	-	327,691,000
Plant Production Used by Hollister	55,006,695	41,892,390	4,736,721	4,258,160									105,893,966
SSCWD % of Plant Production	55.46%	60.07%	90.66%	91.23%									67.68%
Estimated Water Gain(Loss)	(11,633,330)	(6,523,957)	(7,723,590)	(3,639,701)	0	0	0	0	0	0	0	0	(29,520,578)
Percent Difference	-6.96%	-4.27%	-6.57%	-3.43%									-5.43%
Water Consumption Per Customer	12558	12997	13067	12063									12671
Blend - % Surface	65.25%	61.24%	43.13%	45.80%									67.70%
Cost of Water Produced (Per Acre Foot)	2,895	2,506	2,055	2,458									2,474
Prior YTD Cost	3,312	3,535	3,297	3,969	5,615	5,189	6,349	5,918	6,211	4,330	4,163	3,031	4,102

Chart Includes: Only Water Metered to SSCWD Customers,
Chart Does Not Include: COH Interties Wholesale Water Flow

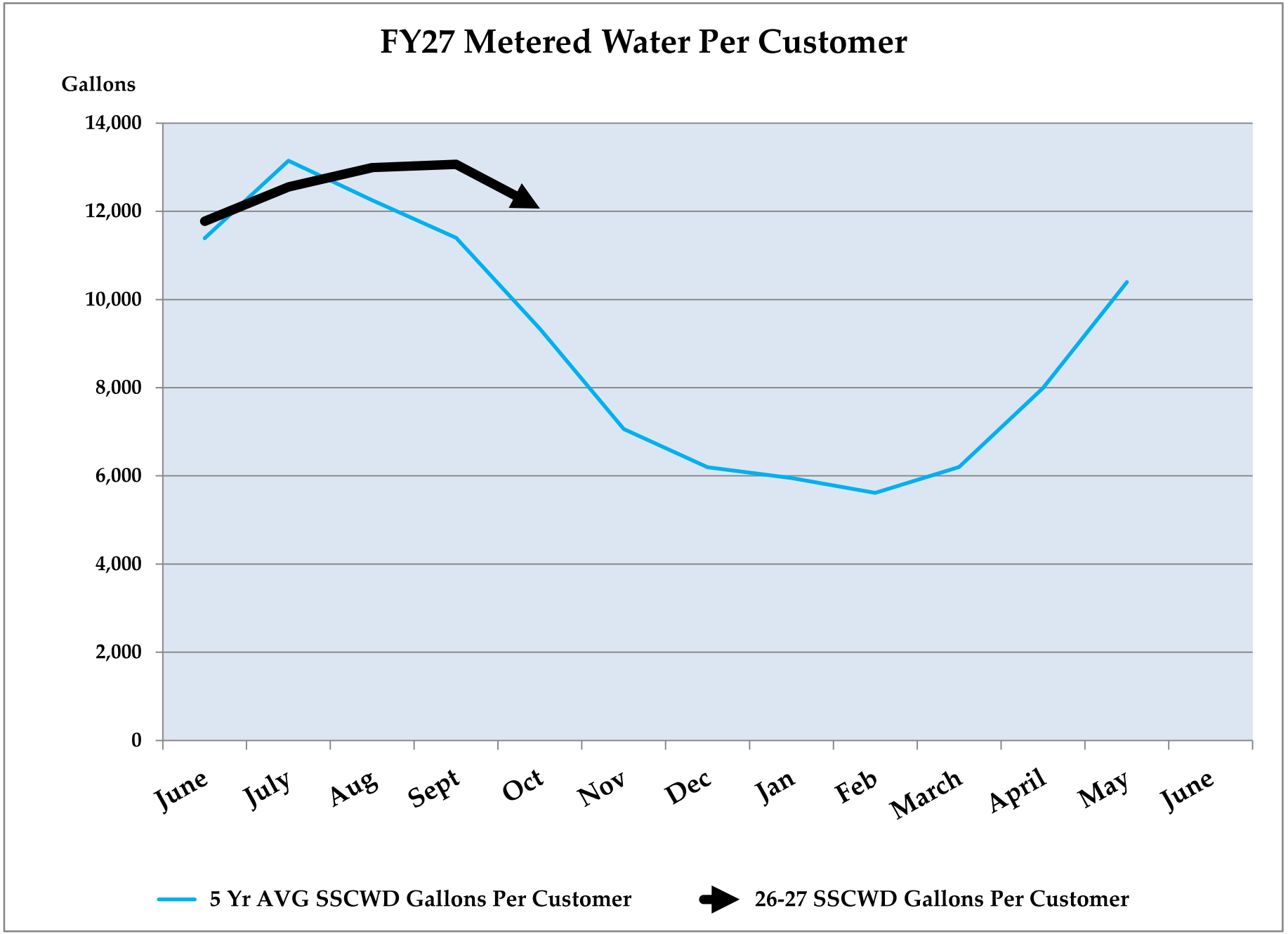
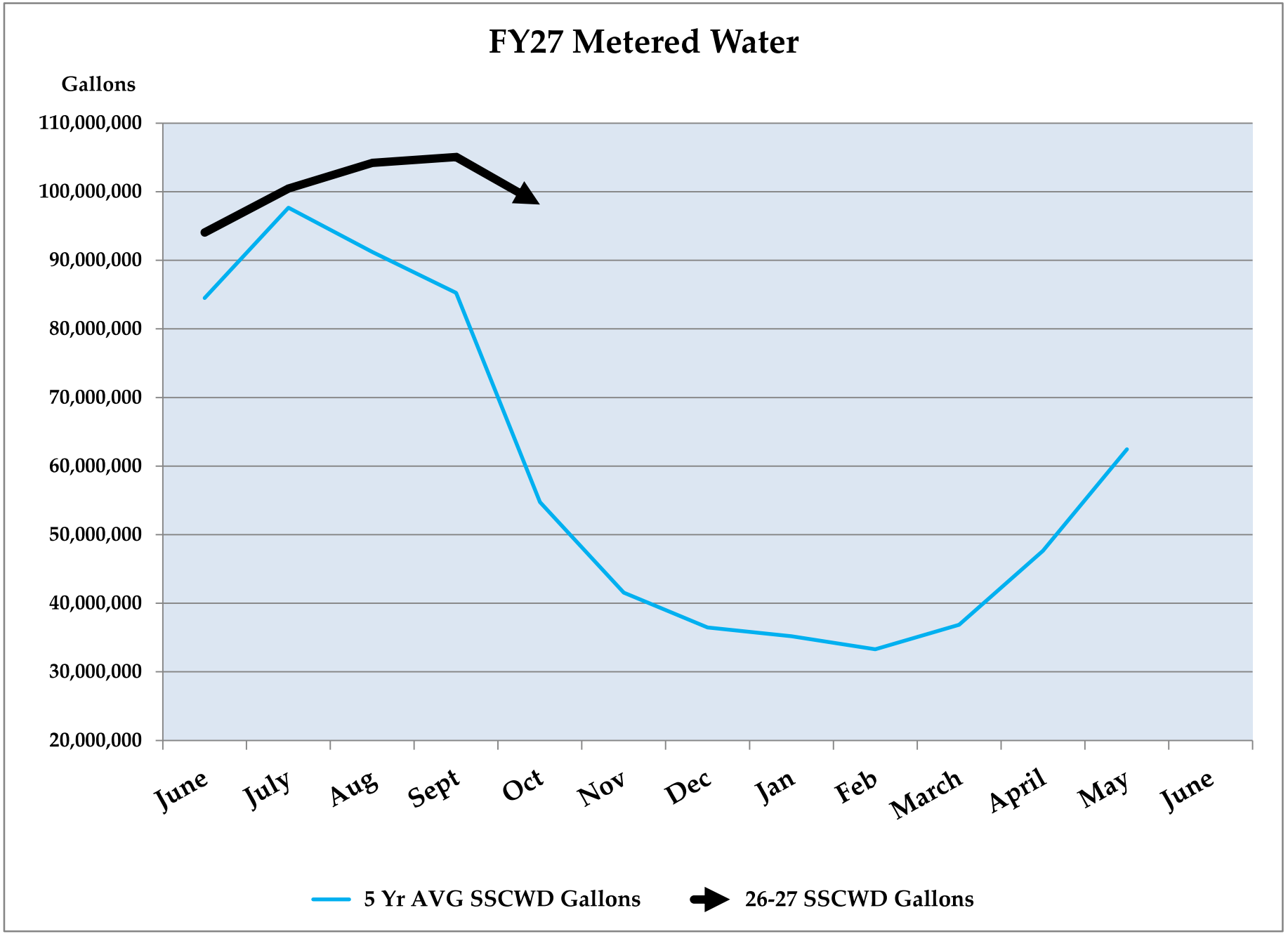


Chart Includes: Only Water Metered to SSCWD Customers,
Chart Does Not Include: COH Interties Wholesale Water Flow



Sunnyslope County Water District

STATEMENT OF INCOME

FOR THE FISCAL YEAR ENDING JUNE 30, 2026 (This Year)

UN-AUDITED 11/10/2026

*** WATER ***	Sep-26	Oct-26	*Variance Over / (Under) Prior Month*		YEAR-TO-DATE	PRIOR YEAR-TO-DATE	FY 26/27 BUDGET
OPERATING REVENUES							
Water Sales	1,114,660	1,053,802	(60,858)		**4,353,773**	**3,875,192**	**10,385,000**
Contracted Services	282,410	240,452	(41,958)		**1,154,415**	**1,447,299**	**3,856,000**
Installation Fees	4,955	2,840	(2,115)		**16,315**	**7,695**	**115,000**
Late Fees	10,930	10,341	(588)		**39,275**	**28,972**	
Other Revenue	19,635	27,573	7,938		**88,613**	**105,472**	**294,800**
TOTAL OPERATING REVENUES	**1,432,589**	**1,335,009** #	**(97,581)**		**5,652,392**	**5,464,630**	**14,650,800**
OPERATING EXPENSES							
Salaries and Benefits	(268,053)	(275,140)	(7,087)		**(1,110,448)**	**(1,083,820)**	**(3,451,000)**
Operating Expenses	(677,090)	(705,568)	(28,478)		**(3,141,360)**	**(4,107,136)**	**(11,176,900)**
TOTAL OPERATING EXPENSES	**(945,143)**	**(980,707)** #	**(35,565)**		**(4,251,809)**	**(5,190,956)**	**(14,627,900)**
NET OPERATING INCOME	**487,447**	**354,301** #	**(133,146)**		**1,400,583**	**273,674**	**22,900**
NON OPERATING INCOME & (EXPENSES)							
Capacity Fees	60,800	33,800	(27,000)		**1,184,650**	**262,199**	
Donated Asset	-	-	0		**-**	**-**	**-**
Miscellaneous Income	-	-	0		**-**	**-**	**-**
Adjust LAIF Investment to Fair Value		-	-		**-**	**-**	**-**
Interest Income	38,043	31,667	(6,376)		**123,225**	**153,379**	**579,000**
Allocated from G & A (Interest & Sale of Assets)	6,841	19,895	13,054		**152,496**	**69,039**	**175,300**
TOTAL NON OPERATING INCOME & (EXPENSES)	**105,684**	**85,362** #	**(20,322)**		**1,460,371**	**484,617**	**754,300**
NET WATER INCOME (LOSS)	**$ 593,131**	**$ 439,663**	**(153,468)**		**$ 2,860,955**	**$ 758,290**	**$ 777,200**
NET WATER INCOME (LOSS) Adjusted for Non Budgeted Items	**$ 487,447**	**$ 354,301**	**(133,146)**		**$ 1,400,583**	**$ 273,674**	**$ 22,900**

Sunnyslope County Water District

STATEMENT OF INCOME

FOR THE FISCAL YEAR ENDING JUNE 30, 2026 (This Year)

UN-AUDITED 11/10/2026

*** WASTEWATER ***	Sep-26	Oct-26	*Variance Over / (Under) Prior Month*		YEAR-TO-DATE	PRIOR YEAR-TO-DATE	FY 25/26 BUDGET
OPERATING REVENUES							
Sewer Sales	184,303	188,958	4,654		686,143	650,634	2,035,000
Contracted Services	-	-	0		-	400,781	-
Installation Fees	-	-	0		450	25	
Late Fees	1,233	1,164	(69)		4,329	3,421	
Other Revenue	5,980	5,798	(181)		22,125	16,077	94,200
TOTAL OPERATING REVENUES	**191,516**	**195,920**	**4,404**		**713,046**	**1,070,939**	**2,129,200**
OPERATING EXPENSES							
Salaries and Benefits	(57,867)	(66,175)	(8,309)		**(228,812)**	**(342,204)**	**(899,100)**
Operating Expenses	(112,890)	(93,155)	19,736		**(382,119)**	**(632,505)**	**(1,168,100)**
TOTAL OPERATING EXPENSES	**(170,757)**	**(159,330)**	**11,427**		**(610,931)**	**(974,709)**	**(2,067,200)**
NET OPERATING INCOME	**20,759**	**36,590**	**15,831**		**102,115**	**96,230**	**62,000**
NON OPERATING INCOME & (EXPENSES)							
Capacity Fees	-	-	0		-	1,077	
Donated Asset- Electric Vans Grant	-	-	0		-	-	-
Miscellaneous Income	-	-	0		-	-	
Adjust LAIF Investment to Fair Value	-	-	0		-	-	
Interest Income	5,426	14,413	8,986		27,838	25,307	120,800
Allocated from G & A (Interest & Sale of Assets)	2,810	8,172	5,362		47,498	(9,048)	5,000
Shenkman Litigation Expense (Districting)			0		-	-	-
TOTAL NON OPERATING INCOME & (EXPENSES)	**8,236**	**22,584**	**14,348**		**75,336**	**17,336**	**125,800**
NET WASTEWATER INCOME (LOSS)	**28,995**	**59,174**	**30,179**		**177,451**	**113,566**	**187,800**
NET WASTEWWATER INCOME (LOSS) Adjusted for Non Budgeted Items	**$ 20,759**	**$ 36,590**	**30,179**		**$ 102,115**	**$ 96,230**	**$ 62,000**

*** WATER & WASTEWATER ***	Sep-26	Oct-26	*Variance Over / (Under) Prior Year*		YEAR-TO-DATE	PRIOR YEAR-TO-DATE	FY 25/26 BUDGET
*** COMBINED INCOME (LOSS) WATER & WASTEWATER***	**622,126**	**498,838**	**(123,289)**		**3,038,405**	**871,857**	**965,000**
*** COMBINED INCOME (LOSS) WATER & WASTEWATER Adjusted for Non - Budgeted Items*	**$ 508,206**	**$ 390,891**	**$ (117,315)**		**$ 1,502,698**	**$ 369,904**	**$ 84,900**

Sunnyslope County Water District

Investment Summary

2026 / 2027 (ThisYear)

BANK ACCOUNT	INTEREST RATE	JULY 2026	AUGUST 2026	SEPTEMBER 2026	OCTOBER 2026	NOVEMBER 2026	DECEMBER 2026	JANUARY 2027	FEBRUARY 2027	MARCH 2027	APRIL 2027	MAY 2027	JUNE 2027		JUNE 2026
Heritage Bank of Commerce															
CHECKING ACCOUNT															
Operating - General Fund	0	3,553,320	4,196,817	2,188,229	2,847,201										2,551,936
CHECKING SUBTOTAL		3,553,320	4,196,817	2,188,229	2,847,201	0	0	0	0	0	0	0	0		2,551,936
MONEY MARKET ACCT (MMA)															
Invested - General Fund	0.40%	92,214	92,277	92,277	92,337										92,182
MMA SUBTOTAL		92,214	92,277	92,277	92,337	0	0	0	0	0	0	0	0		92,182
L. A. I. F.															
(Local Agency Investment Fund)	As of: Dec 2025														
General Fund	4.20%	-4,011,546	-4,011,546	-4,011,546	-5,017,797										-1,011,546
Water Connect. Fee	4.20%	0	0	0	0										0
Sewer Connect. Fee	4.20%	0	0	0	0										0
SRF Loan Reserve	4.20%	910,188	910,188	910,188	920,073										904,572
Board Designated Reserves	4.20%	5,650,241	5,650,241	5,650,875	5,668,610										5,650,241
L.A.I.F. SUBTOTAL		2,548,883	2,548,883	2,549,517	1,570,886	0	0	0	0	0	0	0	0		5,543,267
CEPPT															
(CA Employee Pension Plan Trust)															
Employee Pension Reserve	0	1,131,744	1,131,744	1,131,744	1,131,744										1,131,744
CEPPT SUBTOTAL		1,131,744	1,131,744	1,131,744	1,131,744	0	0	0	0	0	0	0	0		1,131,744
MBS Securites															
(CD Brokerage - Water Capacity Funds)															
Water Connect. Fee	4.00%	14,527,048	15,527,469	15,341,580	15,336,438										14,613,050
Sewer Connect. Fee	4.00%	2,213,309	2,214,695	2,193,589	2,202,138										2,211,384
Board Designated Reserves	4.00%	1,533,870	1,371,340	1,394,835	1,436,826										1,496,009
General Fund	4.00%	140,836	-686,914	-679,000	-653,281										78,603
MBS SUBTOTAL		18,415,063	18,426,590	18,251,004	18,322,122	0	0	0	0	0	0	0	0		18,399,046
GRAND TOTAL		25,741,224	26,396,311	24,212,771	23,964,289	0	0	0	0	0	0	0	0		27,718,174
	YTD Total														
* **TOTAL INTEREST RECORDED**	176,981	34,819	31,728	45,144	65,291										919,110

Sunnyslope County Water District

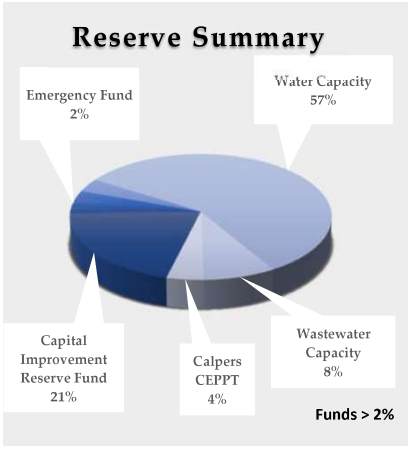
Reserve Summary
As of October 31, 2026

(Policy #8600)

		10/30/2026	Increase	Decrease	6/30/2026	6/30/2025	Change	Board Approval
1	Capital Improvement Reserve Fund	$ 5,534,834	$ 12,367		$ 5,522,467	$ 5,357,885	$ 164,581	Jun-26
2	Rate Stabilization Fund	$ 125,000			125,000	125,000	$ -	Jun-26
3	Drought Contingency Reserve	250,000			250,000	250,000	-	Jun-26
4	Emergency Fund	500,000			500,000	500,000	-	Jun-26
5	Vehicle Replacement Fund	183,094	48,364	200,048	334,778	284,323	50,455	Jun-26
6	Office and Misc. Equipment Replacement Fund	512,509	97,870		414,639	383,457	31,182	Jun-26
	Board Designated Reserves	7,105,437	158,600	200,048	7,146,884	6,900,666	246,219	
7	CSWRCB Loan	920,073	9,884		910,188	869,673	40,516	
8	Water Capacity	15,336,438	1,118,280	394,891	14,613,050	14,153,966	459,083	
9	Wastewater Capacity	2,202,138	(9,246)	-	2,211,384	2,421,434	(210,050)	
10	Calpers CEPPT	1,131,744			1,131,744	1,040,877	90,867	
	Legally Restricted Reserves	19,590,393	1,118,918	394,891	18,866,366	18,544,492	380,417	
	TOTAL	**$ 26,695,830**	**$ 1,277,518**	**$ 594,938**	**$ 26,013,250**	**$ 25,445,158**	**$ 626,635**	
	Unreserved Cash	-$2,731,541						
	Percentage of Total Capital Assets	43.29%						

Detailed Transactions:

Depr. Expense	$ 146,232		
Interest	$ 172,921		
Debt Amortization		394,891	
Water Capacity Fees	1,184,650		
Sewer Capacity Fees	-		
Fixed asset Additions	-	200,048	
FMV YTD	(226,285)		
Transfers		-	
Fair Market Value & Misc Adj		-	
	$ 1,277,518	**$ 594,939**	
	(0)		



Board Approved Disbursement Analysis

Date:	Description:	Vendor	Resolution	Actual
4/23/2024	BRMWC Consolidation	Wallace Group	3,050,000	616,456
2/25/2025	HD Electric Box Truck & Van Upgrades	Keyes Truck Center	135,000	110,661
2/25/2025	MG Segment B - Pipeline	Ruggeri-Jensen-Azar	120,000	106,510
2/25/2025	MG Potholing Contract Amend	Wallace Group	316,250	
2/25/2025	BRMWC Well #5 Improvements	Wallace Group	384,171	59,610
3/25/2024	BRMWC - SCADA Upgrades	Calcon Systems	184,850	157,123
5/20/2025	Meter Upgrade Project	Meter Valve & Control	1,250,000	955,483
5/20/2025	2.0 MG Tank Rehab, Design, Insp	Harper & Assosc.	158,410	63,170
9/2/2025	Installation Well 7 Sensors	Calcon Systems	38,000	35,525
12/16/2025	Small Water Sys. Consolidation	Katch Enviornmental	15,000,000	8,692,524
1/27/2026	Lessalt Solar	Eva Green Power	289,131	280,977
1/27/2026	Vehicle Purchases	Greenwood Chevy	165,000	154,392
3/24/2026	Design & Permitting Enterprise Facility	Multiple Vendors	120,000	14,115
8/22/2026	Insertion Valves- Installation Eq. & Training	HydraStop	110,000	98,424
10/6/2026	Insertion Valves- Excavation & Restoration	Daleo Inc.	95,000	

Complete

Staff Report

Agenda Item: **H – 5**

DATE: November 9, 2026 (November 17, 2026, Meeting)

TO: Board of Directors

FROM: Water/Wastewater Superintendent, Jose J. Rodriguez

SUBJECT: Superintendent Monthly Status Report: a. Maintenance, b. City Meter Reading, and c. Groundwater Level Measurement.

NARRATIVE

1. **Regulatory Reporting**
   All three required water quality reports were completed and successfully submitted by October 10, 2026, meeting the applicable reporting deadlines.

   Timely completion and submission of these reports help ensure the District maintains compliance with state and federal regulatory requirements while providing accurate and up-to-date documentation of water quality monitoring and operational performance.

2. **Water Production Summary – October 2026**
   During October 2026, the Westhills Water Treatment Plant produced a total of 17.915 million gallons (MG), while the Lessalt Water Treatment Plant produced 46.56 MG. Combined, the two facilities produced approximately 197.879 acre-feet (AF) of water during the month. Water processed at Westhills associated with the start up of the ADRoP project is not billed to Sunnyslope or the City and is part of the project start up expense.

   As of October 31, 2026, the District had an allocation balance of 2,060.85 AF remaining from its 4,200 AF allocation for the 2026–2027 water production year. Continued monitoring of monthly production and allocation balances helps the District manage its available water supply and plan for the remainder of the production year.

3. **Water Valve Exercise and Hydrant Flushing Programs**
   During October, Sunnyslope County Water District staff exercised 63 water valves and flushed 110 fire hydrants.

   Since July 2026, SSCWD has maintained its hydrant maintenance efforts at a pace consistent with the previous year. Staff has exercised approximately one-quarter of the District's water

valve system and will continue making every effort to maintain water quality through routine preventative maintenance.

The valve exercising and hydrant flushing programs continue to advance the District's preventative maintenance schedule, helping ensure the reliability and proper operation of existing infrastructure, as well as newly integrated assets from the Gavilan College, Cielo Vista, Santana Ranch, and Best Road Water Mutual systems. These ongoing efforts support system reliability, help maintain water quality, and ensure that all assets are maintained consistently and proactively.

4. **Meter Replacement – October 2026**
   The Meter Replacement Capital Project has been completed. However, several new construction meters were also installed during this period, making it difficult to determine an exact total of meters replaced under the project.

   Throughout these activities, staff also completed necessary field repairs and addressed issues identified during installation to ensure proper meter functionality and compliance with District standards.

   The project represents an important step toward improving metering accuracy, operational efficiency, and the long-term reliability of the District's water meter infrastructure.

5. **Operations & Maintenance – CMMS Usage**
   The Westhills and Lessalt Water Treatment Plants continue to utilize the Computerized Maintenance Management System (CMMS) to manage equipment maintenance, track preventative maintenance activities, and document completed work.

   During October, Sunnyslope County Water District staff completed 206 maintenance work orders between the two facilities. This continued use of CMMS supports maintenance accountability, helps identify equipment issues, and ensures that routine preventative maintenance activities are completed and documented. These efforts contribute to improved operational efficiency, equipment reliability, and the long-term sustainability of the District's water treatment facilities.

In addition to the daily, weekly & monthly work schedule, our maintenance personnel also performed these additional special work projects.

Water (7) - Update 11/6/2026

1. Staff repaired water service line leaks at 1568 Foxtail Court and 1518 Lily Court. Both service lines were damaged during directional boring activities. Repairs were completed to restore service line integrity and prevent further water loss.

2. Staff completed Rural Community Assistance Corporation (RCAC) training covering Chromium-6, water leak repair, and emergency response planning. These training sessions provide valuable technical knowledge and reinforce staff preparedness, regulatory awareness, and response capabilities when addressing water quality concerns, distribution system repairs, and emergency situations.
3. Replaced the fire hydrant at 35 Everest Drive to maintain reliable fire protection and ensure the continued functionality of the District's water distribution system.
4. Repaired a leaking water service line at 1245 South Ridgemark Drive, restoring service line integrity and preventing further water loss.
5. Replaced leaking water service lines at 1890 and 1960 Sunset Drive, restoring service line integrity, preventing continued water loss, and maintaining reliable water service to affected customers.
6. Cleaned and inspected stormwater inlets at the District office to remove accumulated debris, maintain proper drainage, and help prevent potential blockages and localized flooding.
7. Completed weed abatement at District facilities to maintain clean, safe, and accessible work areas while reducing fire hazards and supporting routine facility maintenance.





Project Location	**:** 1568 Foxtail Court
Project	**:** Leaking Service line
Department	**:** Water Department
Description	**:** Repair water service line damaged by directional boring.

LESSALT Water Treatment Plant (7) – Updated 11/6/2026.

1. Replaced the pulsation dampener on Permanganate Pump #1 to stabilize chemical feed pressure, reduce pressure fluctuations, and support reliable pump operation and consistent chemical dosing.
2. Cleaned the GRF and GAC turbidimeters and flushed their sample feed lines to remove accumulated debris and maintain reliable sample flow and accurate turbidity measurements. This preventative maintenance helps ensure accurate process monitoring and supports consistent water treatment operations.
3. Completed weed abatement around the facility to maintain safe and accessible work areas, improve site conditions, and reduce potential fire hazards.
4. Completed the Clean-in-Place (CIP) process on all three CMF units to maintain membrane performance and operational efficiency.
5. Replaced the low-pressure regulator on CMF #1 to ensure proper pressure regulation and reliable system operation.
6. Cleaned the TOC analyzer using peroxide to remove buildup and maintain proper instrument operation.
   Replaced the permanganate injector to ensure proper chemical dosing and reliable system operation.

West Hills Water Treatment Plant (11) – Updated 11/9/2026.

1. Rexel replaced the VFD on Train #2's maturation mixer to restore proper mixer operation and ensure reliable system performance.
2. Continued clearing overgrown weeds and vegetation around the main treatment plant and raw water pump station perimeter to maintain safe access, improve site conditions, and reduce fire hazards.
3. Installed a new sump pump in the raw water pump station valve vault in preparation for expected rainy weather to improve drainage and prevent water accumulation.
4. Began replacing piping labels throughout the facility to improve pipe identification, promote safety, and ensure proper identification of process lines.
5. Began painting piping and fire hydrants throughout the facility to improve visibility, maintain asset identification, and protect equipment from deterioration.
6. Built safety guards and drip tray for train #2 sand pumps.
7. Replaced the UPS for RTU #2 to restore reliable backup power and maintain uninterrupted operation of the remote monitoring and control system.
8. Cleaned the chemical sump areas and inspected and tested all sump pumps and check valves to ensure proper operation and maintain effective drainage.

9. Rented a boom lift to safely access, clean, and inspect facility lighting to maintain proper illumination and ensure safe working conditions.
10. Cleaned the gutters on the main building and shop to ensure proper drainage and prevent water buildup in preparation for the rainy season.
11. Completed Veolia-provided training on the RTU #3 HMI screen to improve operator familiarity with system controls, monitoring, and troubleshooting.

Wastewater/Collections (2) -Updated 11/6/2026.

1. Removed dried sludge from the drying beds and transported it to John Smith Landfill for proper disposal, maintaining available bed capacity and effective sludge management.
2. Completed hydro-jetting of identified trouble spots throughout the wastewater collection system to remove accumulated debris, improve flow, and reduce the potential for blockages.

Completed This Month	Job Descriptions Updated 4/15/2025	Completed YTD 2026 – 2027 July 1 to June 30	Completed 2025 – 2026 July 1 to June 30	Completed 2024 – 2025 July 1 to June 30	Completed 2023 – 2024 July 1 to June 30
467	Work Orders	1992	6896	6037	4338
4	Temporary Manual Read Water Meters Installed in New Construction Accounts	81	153	141	171
0	Radio Read Meters & ERTs Installed in New Construction Accounts	0	0	3	5
15	Total: Manual Read Meters Replaced with Radio Read Meters & ERT's, including Radio Meters Installed in New Construction Accounts	110 (Total = 7993)	185	270	216
52	Existing Radio Read Meters & ERTs Replaced with New Radio Read Meters & ERTs	316	1527	524	180
63	Valves Exercised (Approx. 3160 in SSCWD System 5/2026)	185	1230	280	299
110	Fire Hydrants Flushed (Approx. 1025 in SSCWD System 5/2026)	317	1079	502	466
8	Meters on Repair List	41	252	204	209
13	Emergency Calls	88	164	142	138
169	Locates on our Water/Sewer Lines	803	1907	2002	1722
0	Sewer Inspections	0	0	0	0
3	Shutoff Notices	29	96	59	23
2	Water Services Replaced	6 (Total = 998)	15	14	17

(5/2026 Update Valve and Fire Hydrant Count, Includes Santana Ranch pH 1, Villages, Tyler Knoll, Walnut Park, Creekside)

Sunnyslope County Water District

Hollister/Sunnyslope

Intertie Water Balance

Report Date:	**November 1, 2026**				
Current Consumption Period:	**September 14, 2026**	**to**	**October 14, 2026**		
Intertie Location		**Groundwater Flow to COH**	**Surface Flow to COH**	**Groundwater Flow to SSCWD**	**Surface Flow to SSCWD**
		in Gallons			
Southside Road Intertie Water Total Flow		0	2,589,760		
Sunset & Memorial Water Total Flow		7,735,200	314,500	0	0
Sunnyslope & Memorial Water Total Flow		0	0	0	82,100
Hillcrest and Memorial Water Total Flow		3,600	3,300	200	100
Santa Ana & La Baig Water Total Flow		229,200	1,350,600	0	0
Intertie Sub-Total Water Flow		**7,968,000**	**4,258,160**	**200**	**82,200**
Total Combined Surface and Ground Water Intertie Flow		**12,226,160**		**82,400**	
City of Hollister Well 2 Surface Water Total Flow (West Hills)			0		
City of Hollister Well 4 Surface Water Total Flow (West Hills)			0		
City of Hollister Well 5 Surface Water Total Flow (West Hills)			0		
Sunnyslope Well 2 Surface Water Total Flow (West Hills)					0
Sunnyslope Well 11 Surface Water Total Flow (West Hills)					0
Sunnyslope Surface Water Total Flow (LESSALT)					48,569,000
Surface Water Flow Sub-Totals			**0**		**48,569,000**
Ground Water and Surface Water Flow Totals		**7,968,000**	**4,258,160**	**200**	**48,651,200**
Current Period:	*COH half of Surface Water Flow to Distribution (LESSALT & WH)*		**24,284,500**		
	Net Ground/Surface Water Balance Owed to SSCWD (to COH)	**7,967,800**	**-20,108,540**		
	Beginning Water Balance Owed to SSCWD (to COH)	872,439,400	-285,785,311		
	Gallons Billed to COH thru Report Date *October 1, 2026*	0		**Informational Last Month Net Total**	**586,654,089**
	Sub-total Ending Water Balance Owed to SSCWD (to COH)	**880,407,200**	**-305,893,851**	Net Sub Total	574,513,349
	Half of Total Gallons LESSALT Discharge to City of Hollister Wastewater Treatment Plant during the current consumption period			817,000	
	Exchange Factor; Half of the total gallons discharged to COH WWTP from LESSALT multiplied by a factor of 4				3,268,000.00
	Ending Water Balance Owed to SSCWD (to COH)	**877,139,200**	**-305,893,851**	**Net Total**	**571,245,349**

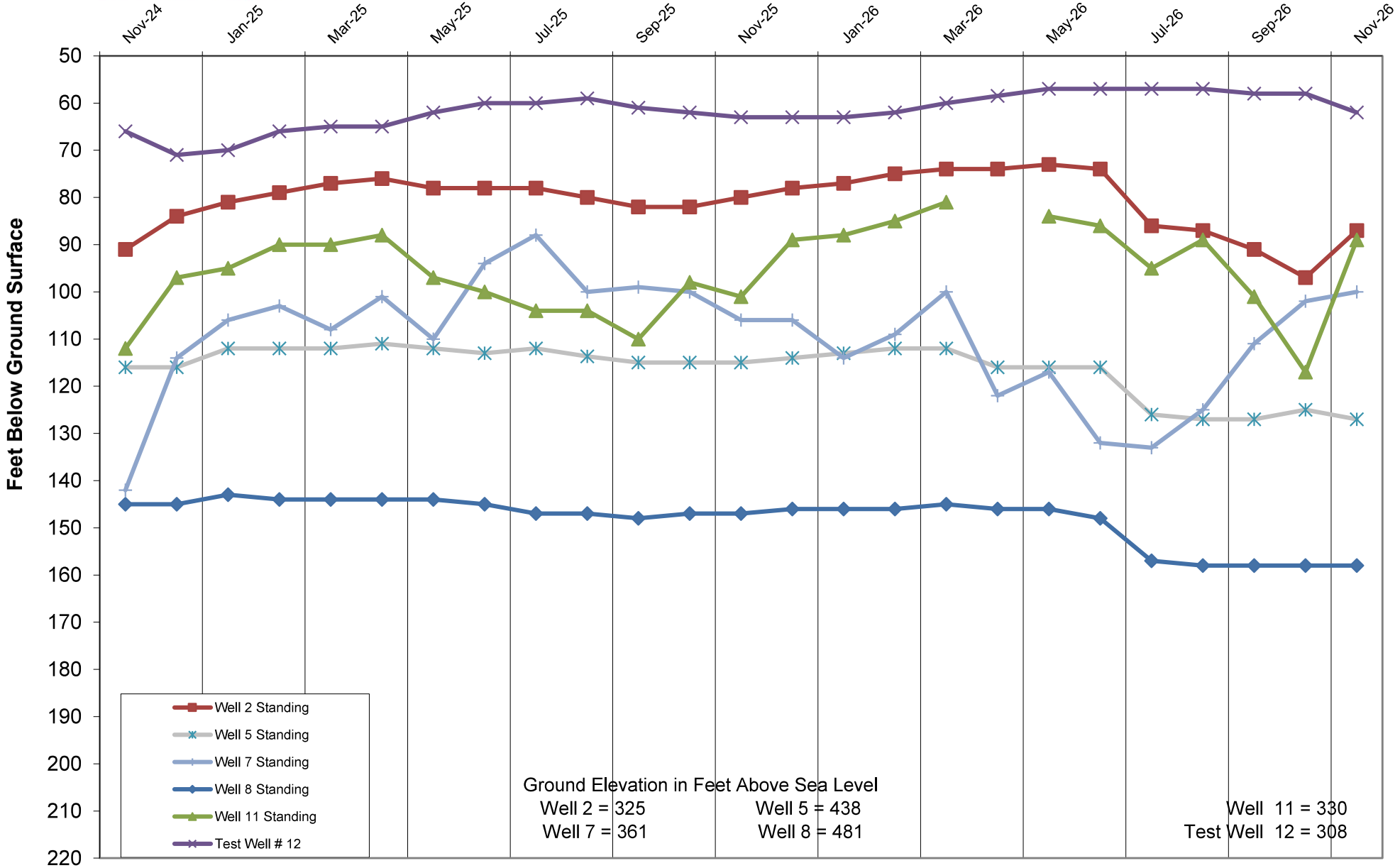
Current:	*LESSALT WTP Total Flow to Distribution*	48,569,000			
	Percent of LESSALT Surface Water Received	**COH**	**8.6%**	**SSCWD**	**91.4%**
Current:	*COH half of LESSALT Total Flow to Distribution*	24,284,500			
	Intertie Net Surface Water Total Flow to COH	4,175,960			
	Intertie Net Ground Water Total Flow to COH	7,967,800			
Current:	*West Hills WTP Total Flow to Distribution*	0			
	Percent of Surface Water Received	**COH**	**#DIV/0!**	**SSCWD**	**#DIV/0!**
Current:	*COH half of West Hills WTP Total Flow to Distribution*	0			
	West Hills WTP Surface Water Total Flow to COH	0			

From April 1, 2025 to Present					
YTD	*LESSALT WTP Total Flow to Distribution*	325,610,000			
	West Hills WTP Total Flow to Distribution	402,822,000			
	Surface WTPs Total Flow to Distribution	728,432,000			
	Total YTD Surface Flow to COH/SSCWD	**COH**	**317,227,948**	**SSCWD**	**411,204,052**
	Percent of Surface Water Received	**COH**	**43.5%**	**SSCWD**	**56.5%**

Updated Excel City Readings Start Here LESSALT West Hills 2026

Sunnyslope County Water District

Depth to Standing Water Level Below Ground Surface



Staff Report

Agenda Item: H – 6

DATE: November 12, 2026 (November 17, 2026 Meeting)

TO: Board of Directors

FROM: General Manager, Drew Lander P.E.

SUBJECT: General Manager Monthly Status Report

ACTIVE TASKS:

1. **Wastewater 218 Notice –** As directed, the Finance Committee met on October 29th to finalize the 218 notice with additional input from the board and the public. All notices were printed on October 29th and delivered to the post office on October 30th. San Benito County GIS services provided the mailing list of all service addresses. Notices were mailed to both the registered property owner and the address of record.

2. **Insertion Valve Project –** I would like to specifically draw attention to the excellent work and coordination between District staff this month. The insertion valve project has been an excellent example of Risk, Solution, Plan and Execute. Through maintenance operations and field work the Superintendent and Crew Chief identified several locations where risk in the district was significant due to needed flow control. They coordinated with Engineering staff. Engineering identified possible solutions, worked with operations management to agree to a trusted solution, then venders were contacted for technical information. After a group consensus was reached, I was brought in to discuss costs, develop the plan and implementation. A hybrid project was developed where in-house expertise was desired but external contracting was needed to reduce labor hours. Field staff were identified and a team was developed of trusted employees who have the skill and work ethic to successfully complete this project. At that point the project was presented to the Board, approvals were granted and the project was executed. Engineering staff managed the contracts and equipment purchase. Operations staff participated in detailed training and the coordination of staff. A contractor dug and prepared the locations where the valves were to be installed so when training was complete staff members were able to seamlessly take the new skills into the field and install 5 new valve bodies. The contractor followed each install by backfilling the holes and asphalting the roadway where appropriate. I cannot speak more highly of the staff that executed this successful project inhouse, on budget and on time.

Staff Report

Agenda Item: I – 1

DATE: November 12, 2026 (November 17, 2026 Meeting)

TO: Board of Directors

FROM: Principal Engineer, Rob Hillebrecht P.E.

SUBJECT: Authorize The President To Sign The Agreement For Water Facilities And Service For The Fulton Way Tract No. 358 Development As Amended. (Mit Neg Dec Certified By San Benito County Planning Commission) Continued Item From October 27 Meeting.

RECOMMENDATION:
Approve and authorize the Board President to sign the Agreement for Water Facilities and Service for the Fulton Way Tract No. 358 Development as amended and rescind the prior board approval of August 25, 2026.

BACKGROUND:
On August 25, 2026, the Board of Directors approved an Agreement for Water Facilities and Service with the Fulton Way Tract No. 358 Development. However, the agreement was not executed by the developer. Following Board approval, the developer discovered two issues specific to this development that could best be addressed within this agreement. This was discussed at the October 27 meeting where it was requested that SBALT fee calculation documentation be provided. This is now attached.

First, Sunnyslope entered into License Agreement 2007-01 with Bray for the right to drill Test Well #12 in the back of the property and ultimately obtain an exclusive easement over the back 1.67 acres. In that agreement, Sunnyslope committed to waive payment of 1 connection fee in lieu of payment for the well site. To satisfy that commitment, Section 23.e) offers the developer a Capacity Fee Credit for one connection.

Second, one of the Conditions of Approval for the subdivision of this property indicated in its Mitigated Negative Declaration was a 1:1 mitigation to offset the loss of agricultural land for the 4-acre project through in-lieu payment to San Benito Agricultural Land Trust (SBALT). However, 1.7 acres of the project is comprised of Lot #11, Sunnyslope's Well #12 exclusive easement. Ownership of this parcel will be conveyed to Sunnyslope upon the subdivision's Final Map approval. The developer is therefore requesting that Sunnyslope contribute the $30,726.85 share of the SBALT fee associated with Lot #11. Sunnyslope's contribution would be through a Capacity Fee Credit to the developer rather than a direct payment. Section 23.f) of the Agreement discusses this consideration.

FISCAL IMPACT:
The Fulton Way Tract No. 358 development has 10 units so total water capacity fees total $84,500 at the current capacity fee rate. The Capacity Fee credits from Sections 23.e and 23.f would total $39,176.85, reducing the Capacity Fee revenue Sunnyslope would collect from this development to $45,323.14. If not paid at this time, the expense of the SBALT condition would be required to be paid at some future time when the District desired to develop this property. Fulfilling the agreement at this time removes the requirement and also the possibility of SBALT fees increasing in the future.

ENVIRONMENTAL IMPACT:
The San Benito County Planning Commission approved a Mitigated Negative Declaration for the Fulton Way Tract No. 358 Development.

ATTACHMENTS

1. Agreement for Water Facilities and Service for the Fulton Way Tract No. 358 Development
2. SBALT Project Mitigation Letter
3. SBALT Fee Calculation Documentation

RECORDING REQUESTED BY AND WHEN RECORDED, RETURN TO:

Sunnyslope County Water District
3570 Airline Highway
Hollister, CA 95023-9702

AGREEMENT FOR WATER FACILITIES AND SERVICE FOR THE FULTON WAY TRACT NO. 358 DEVELOPMENT

The undersigned District declares:

Documentary Transfer Tax exemption Pursuant to Section 11922 of the Revenue and Taxation Code and Exempt from Recording Fees per Government Code Section 27383.

THIS AGREEMENT is made this ___ day of _____ 2026, by and between the SUNNYSLOPE COUNTY WATER DISTRICT, a County Water District organized and existing pursuant to Division 12 of the California Water Code, State of California, ("District") and _____ ("Developer").

W I T N E S S E T H:

WHEREAS, Developer owns and is developing the parcel(s) of land to be developed in Hollister, California (the "Development") and

WHEREAS, the vicinity map of the Development is attached hereto as Exhibit A, and a map showing the planned Development is attached hereto as Exhibit B; and

WHEREAS, Developer is proposing to construct a water system to serve the Development (the "development water system") and desires to transfer the same to the District upon completion of construction, and

WHEREAS, District is agreeable to accepting the transfer, operation, and maintenance of the development water system and to provide service on the terms provided herein and their performance by Developer;

NOW, THEREFORE, in consideration of the mutual promises and conditions in this Agreement, District and Developer covenant and agree as follows:

1. INSTALLATION REQUIREMENTS. As a condition precedent to District's acceptance of the development water system, all water facilities shall be designed, constructed and be operable to District's satisfaction. District requirements shall include, but not be limited to the following:

a. Design. Developer shall design the water facilities to District's standards and any other applicable regulatory requirements. All plans and specifications shall be prepared by a licensed civil engineer registered in the State of California.

b. Plans and Specifications. Three complete sets of plans and specifications for the water facilities shall be submitted to the District for review and consideration of approval prior to construction. Construction shall not proceed until all plans and specifications are signed with evidence of District approval and a preconstruction meeting is held between representatives of District and Developer. District time for the review of plans and specifications shall be tracked and charged against deposit as provided in Paragraph 5.

c. Construction. Developer will construct within one (1) year of the date of this Agreement the water facilities as shown on the plans and specifications approved by District. District may at its discretion extend the construction period by written notice at Developer's request. Any changes to the plans and specifications must be approved in advance by the District Engineer. All work, including connections to existing facilities, shall be performed in a manner satisfactory to the District Engineer. Developer shall provide at its own expense a report by a competent soils engineer or soils laboratory, indicating that the compaction in the fills within which water facilities are to be installed is at least equal to ninety-five percent (95%) compaction and according to such specifications and standards as the District Engineer may prescribe for all or any part of the development water systems.

d. Underground Obstructions. District does not assume any responsibility or liability whatsoever during the construction of the water system facilities. Any location of underground utility lines or surface obstructions given to the Developer or placed on the project drawing by District are for the Developer's convenience and must be verified by Developer in the field. District assumes no

responsibility for the sufficiency or accuracy of such information, lines, or obstructions.

e. Licenses; skill. Developer, or Developer's authorized representative (contractor) to perform the work, shall be licensed under the provisions of the Business and Professions Code of the State of California to do the type of work called for in the proposed project. District reserves the right to waive this requirement at its discretion where permitted under state statute. Developer, or Developer's contractor, shall be skilled and regularly engaged in the installation of water systems. District may request evidence that the constructing party has satisfactorily installed other projects of like magnitude or comparable difficulty.

f. Inspection. District shall have the right at any time and from time to time to inspect work in progress in the construction of the water system facilities. Developer shall provide and assure the District and its employees and any person or persons designated by it the right to inspect the development water systems and the plans, materials, and work for the systems before, during and after such are installed. All costs incurred by the District that are associated with interim and final inspection, completion, and testing of the system shall be tracked and charged against the deposit described in Section 5.

g. Testing. Developer shall be responsible for all costs associated with testing as needed or required for the approval of the water system by the District and any other regulatory agency having jurisdiction (such as the State Division of Drinking Water or California Regional Water Quality Control Board). No system or portion thereof will be accepted without meeting District test requirements.

2. PAYMENT OF FEES, CHARGES AND COSTS. Prior to acceptance of the development water system, Developer will pay all costs to construct and connect the development water system with the District's existing water system. Prior to start of each individual service, Developer will pay all fees and charges established by District as connection charges, rates for service and other comparable charges. A statement of the fees and charges by the District shall be provided upon Developer request.

3. BOND. Developer has furnished or shall furnish a bond, check, or other security acceptable to District in the sum of 10% of the Engineer’s Estimate for the development water system prior to beginning of construction rounded to the nearest $10. The Engineer’s Estimate on development water system is Fifty One Thousand Eight

Hundred Seventy dollars ($51,870.00); therefore the required bond amount is Five Thousand One Hundred Ninety dollars ($5,190.00). These sureties shall be satisfactory to the District Board of Directors to guarantee the faithful performance of the terms of this Agreement and to guarantee enforcement of the one-year warranty dictated in Section 11. District shall issue a letter to Developer releasing the bond upon the expiration of the warranty period if everything is in good repair and there are no outstanding warranty items.

4. PERMITS & EASEMENTS. Developer shall obtain all necessary local, county and state permits (including encroachment permits) for the development water system. They shall conform to the requirements of the permits, arrange for applicable inspections, and pay any necessary fees and deposits. Developer shall obtain all permanent and temporary easements necessary for ingress and egress to and from the development water systems for the purpose of installation, operation, maintenance, replacement, addition, and removal of system components. Pipeline easements shall be 20 feet in width, shall be in a form approved by the District. They shall be submitted/conveyed to the District in the Final Map or other acceptable recorded form prior to District's acceptance of the development water systems.

5. DEPOSIT. Prior to beginning of construction, Developer hereby agrees to deliver a deposit in cash to District in the amount of Two Thousand Five Hundred Eighty dollars ($2,580.00). This sum consists of 5% of the first $50,000 of the Engineer's Estimate for development water system, plus 4% of the remaining amount, rounded to the nearest $10. The Engineer's Estimate is Fifty One Thousand Eight Hundred Seventy dollars ($51,870.00). District shall charge against this deposit to pay for the District expenses directly associated with the development. This may include but is not limited to charges for review and revision of plans and specifications, special engineering studies and designs, inspection of the development water system, fees for legal services, LAFCo annexation fees, or other expenses. At District's discretion, such services may be conducted in-house by Sunnyslope staff or outsourced through a consultant contract. All charges to the deposit shall be strictly recorded and made available upon Developer request. If such deposit is insufficient to pay all such charges and costs, the Developer hereby agrees to pay all such charges and costs in excess of the sum so deposited prior to the acceptance of the development water system by the District. Upon the expiration of the one-year warranty period, any remaining deposit shall be reimbursed to Developer.

6. TRANSFER OF SYSTEMS TO DISTRICT. Full right, title and interest in and to the development water systems installed pursuant to this Agreement is hereby granted to the District, subject to the

conditions precedent of connection of the development water system with the water systems of the District and written Notice of Acceptance thereof by the District. There shall be no obligation upon the District to pay or reimburse the Developer any part of the cost of the development water systems. Developer will execute and obtain all signatures of any other parties having any interest (including any Deed of Trust), and deliver a Deed satisfactory in form and content to District, transferring absolute and unencumbered ownership of the completed water system to the District together with all real property, interest in real property, easements and rights-of-ways (including any off-site easements or real property), and all overlying and other underground water rights that are a part of, appurtenant to, or belonging to any parcels now or hereafter served by the development water systems that are necessary or appropriate in the opinion of the District for the ownership and operation of the systems. All costs of construction of the system shall have been paid for by Developer, the time for filing mechanics liens shall have expired, and the title to the water system and the interests in real property transferred shall be good, clear and marketable title, free and clear of all encumbrances, liens or charges. Developer shall pay costs of title insurance if deemed necessary by the District. All construction, including final inspection punch list items must be completed prior to transfer, and the transfer shall not be completed until the Deed transferring the water system has been formally accepted by the District. After transfer, the District shall own and be free in every respect to operate and manage the water system and to expand, improve, or interconnect with adjacent facilities, as it deems appropriate.

7. AS-BUILT PLANS, SPECIFICATIONS, VALUES, ETC. Developer shall, as its obligations under this agreement and as a condition of District's acceptance of the system, provide to the District:

a. A complete and final set of As-Built blueprints and AutoCAD digitized files for the entire development water system, satisfactory to the District General Manager, together with a copy of the specifications and any contract documents used for the construction of the water system.

b. A complete, detailed statement of account, satisfactory to the District, of the amounts expended for the installation and construction of the system, with values applicable to the various components thereof, together with a list of any other materials and equipment (and their values) being transferred.

8. ACCEPTANCE AND SERVICE BY DISTRICT. Provided that Developer complies with the provisions of this Agreement, District

will accept the water facilities constituting the development water system, and will provide water services to the Development upon completion and proof supplied to District of the installation thereof, full payment of all costs thereof by Developer and certification by the District Engineer that the development water systems meet the standards and specifications required by District for water systems installed for or by the District. The District will provide water service only in accordance with all rules and regulations of the District, including the Developer's prepayment of applicable connection fees, capacity charges, and service charges. District's agreement to supply water services is further conditioned upon the following:

9. INSURANCE. Developer or Developer's authorized representative to do the work shall maintain and be responsible for subcontractors and outside owners or operators of equipment maintaining the following coverage during the performance of the Agreement:

a. Workers' compensation or self-insurance indicating compliance with any applicable Labor Codes, acts, laws, or statutes, whether federal or state, where Developer operates, including employers' liability insurance;

b. Comprehensive general liability and comprehensive automobile liability of not less than Two Million Dollars ($2,000,000.00) combined single limit or equivalent for bodily injury, personal injury and property damage as a result of any one occurrence.

This policy shall name the District as an additional named insured, and shall be primary and underlying to District's insurance and shall not be excess or contributing with and District insurance. Said policy shall be placed with a carrier or carriers licensed to do business in the State of California, and shall cover Developer's contractual liability to District. A certificate of insurance shall be delivered to District verifying such coverage and also showing insurance against liability for workers' compensation, and the certificate shall include a statement that thirty (30) days' written notice shall be given by the carrier to District prior to any cancellation of or material change in the said insurance. The required insurance certificates shall be delivered to the District prior to commencement of the construction.

10. NO SERVICE BEFORE COMPLETION AND TRANSFER. Developer shall not allow any occupant or person to commence normal domestic or commercial operation or use of any part of the water system within

the Development prior to the transfer and acceptance by District of the water system without the express written consent of the District. Such consent will normally not be given, and without limiting in any way District right to refuse such consent, District may impose conditions or restrictions upon any consent to such prior service, including but not limited to the posting of satisfactory surety to assure the completion and transfer of the water system within a period of time specified by District. Use of water for construction purposes is excepted.

11. WARRANTIES. Developer hereby warrants that as of the time of District's acceptance of the development water systems, such systems and all components thereof will be in satisfactory working order and quality, will have been constructed and installed in compliance with specifications and as-built plans being provided to District and in accordance with applicable requirements of any governmental agency having jurisdiction, and that the system will operate in good and sufficient manner for the purpose intended for not less than one (1) year after date of transfer. Developer shall indemnify District for any costs or expenses (including District's own labor costs) incurred by reason of failure, malfunction, replacements, repairs or any other expenses incurred by District during the warranty period.

12. CONTINUING EFFECT. This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, successors and assigns of the parties hereto.

13. TIME OF ESSENCE. Time is of the essence in this Agreement.

14. ENTIRE AGREEMENT. This writing contains the entire agreement of the parties with respect to the matters contained herein.

15. MODIFICATION. This Agreement shall not be modified except by an agreement in writing, signed by the party against whom the enforcement of any change, modification or discharge is sought.

16. ASSIGNMENT. Developer shall not assign this Agreement or any interest herein or hereunder without the prior written consent of the District, which consent shall not be unreasonably withheld.

17. TERMINATION. By written notice to the Developer, the District may terminate this Agreement for water service in the event that the Developer fails to perform any of the terms, covenants or conditions contained herein, or that emergency drought measures require the cessation of new water meter connections or services

within the District, or other unforeseen circumstances limit either the capacity or ability for the District to provide water services.

18. WAIVER. A waiver by either party of any breach of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition of this Agreement.

19. INDEMNITY. Developer shall protect, defend, indemnify and hold harmless the District and its Board of Directors, officers, employees and agents from any and all liability and claim for damages by reason of any injury to any person or persons or property of any kind from any cause or causes whatsoever in any way connected with or relating to the obligations or performance of Developer under the terms of this Agreement.

20. NEGOTIATED AGREEMENT. This Agreement has been reached through negotiation between the parties. Neither party is deemed the party which prepared the Agreement within the meaning of Civil Code section 1654, or case law thereunder.

21. ATTORNEYS' FEES. In the event of a lawsuit or other proceeding to enforce or interpret this Agreement, or the parties' performance hereunder, the prevailing party shall be entitled to reasonable attorneys' fees and costs, including the costs and fees of experts engaged for the proceedings, in addition to any other relief granted. The phrase "prevailing party" shall be construed in accordance with California law.

22. Landscape Compliance. Developer shall demonstrate to the District that Developer has complied with the terms of the Model Local Water Efficient Landscape Ordinance contained in the City of Hollister Code, Chapter 15.22, adopted by the City of Hollister, and any amendments thereto and/or successor ordinances. The Developer shall comply with all other water efficiency requirements adopted by the State of California and Sunnyslope County Water District. The provisions of said ordinance are to be made available upon Developer request. Developer shall prepare and submit to the City of Hollister and the District a landscaping plan meeting the requirements of such ordinance, which plan shall be reviewed and approved by the City of Hollister and District.

23. SPECIAL TERMS.
a.) The Developer is prohibited from installing Self Regenerating Water Softeners (SRWS). The Developer may install water softeners recharged by portable cartridges supplied by service providers such that the brine solution resulting from a SRWS recharge is not

discharged into the City of Hollister sewer system. It is understood by both the District and the Developer that the area will be served primarily by soft surface water, but under rare circumstances may receive harder groundwater.

b.) Developer must have conformed to and followed the most updated District regulations and requirements with regard to drought at the time of the system transfer. This may include but is not limited to additional fees, efficiency requirements, landscaping limitations, or more.

c.) Upon approval of the Development Final Map subdividing the property, Developer shall convey ownership of Lot 11 to District through a Grant Deed at no expense to the District. Sunnyslope holds an exclusive easement over this portion of the property as a future well and groundwater treatment site. Upon transfer of the property, District shall receive full and unencumbered Fee Title of the property.

d.) Developer understands shall disclose to buyers that at a future date, District intends to construct, develop, and operate a well and groundwater treatment facility upon the Lot 11 site. Construction and operation of this facility could have future impacts such as noise, views, traffic, and others. Prior to development of the site, environmental studies will identify and suggest mitigation measures for all impacts and solicit public comments.

e.) Per the recorded License Agreement 2007-01 Section 12f, "BRAY will receive two (2) single family water service connections from SSCWD to APN# 20-28-15. BRAY is responsible for ongoing rates and fees for water services and SSCWD will waive payment of water connection fee for one (1) water service connection in-lieu of payment for well site." Through this development, Sunnyslope will provide water service connections to ten new single-family units more than satisfying the commitment to provide two water service connections. To satisfy the second commitment, Sunnyslope does hereby offer credit for one Capacity Fee to the developer.

f.) In the Mitigated Negative Declaration, Section II. a) Agriculture and Forestry Resources for this project, a condition of approval required "Making an in-lieu payment to… San Benito County Agricultural Trust… to preserve a minimum of four acres of Prime Farmland in San Benito County." It was determined that the total in-lieu payment for the four acres is $73,562. Sunnyslope's Lot #11 compromises 1.67 acres (41.77%) of the total 4 acre development. The proportional share of in-lieu fees would therefore be $30,726.85.

This shall be reimbursed to the developer through a Capacity Fee Credit of that amount.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate on the date and year first above written.

"District"
SUNNYSLOPE COUNTY WATER DISTRICT, a public corporation

_____
Michael Alcorn
President, Board of Directors,
Sunnyslope County Water District

ATTEST:

_____
Drew A. Lander
District Secretary

"Developer"

_____
Name
Position

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF SAN BENITO

On _____, 20___, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF SAN BENITO

On _____, 20___, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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COUNTY OF SAN BENITO

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A
(Vicinity Map of Development)

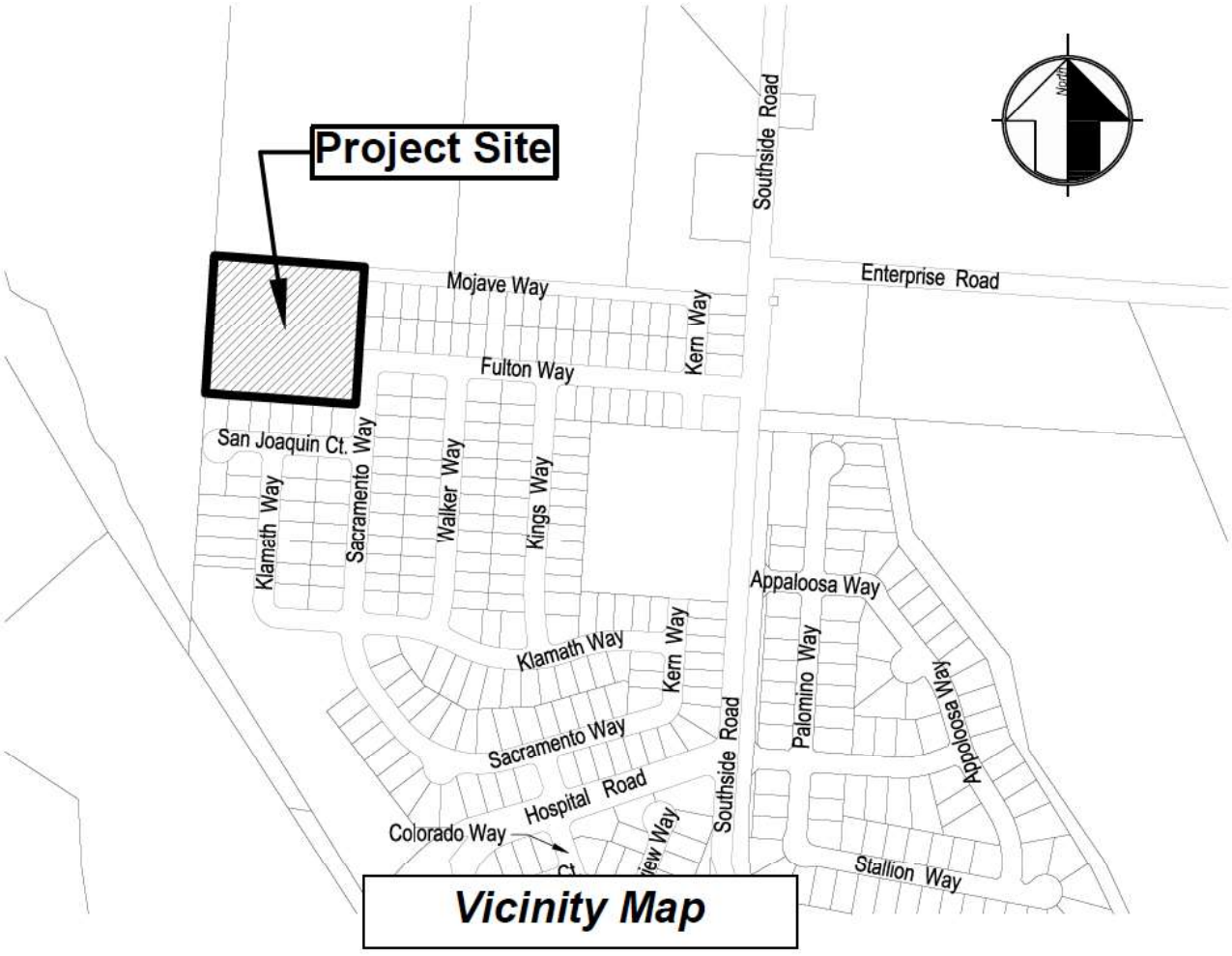
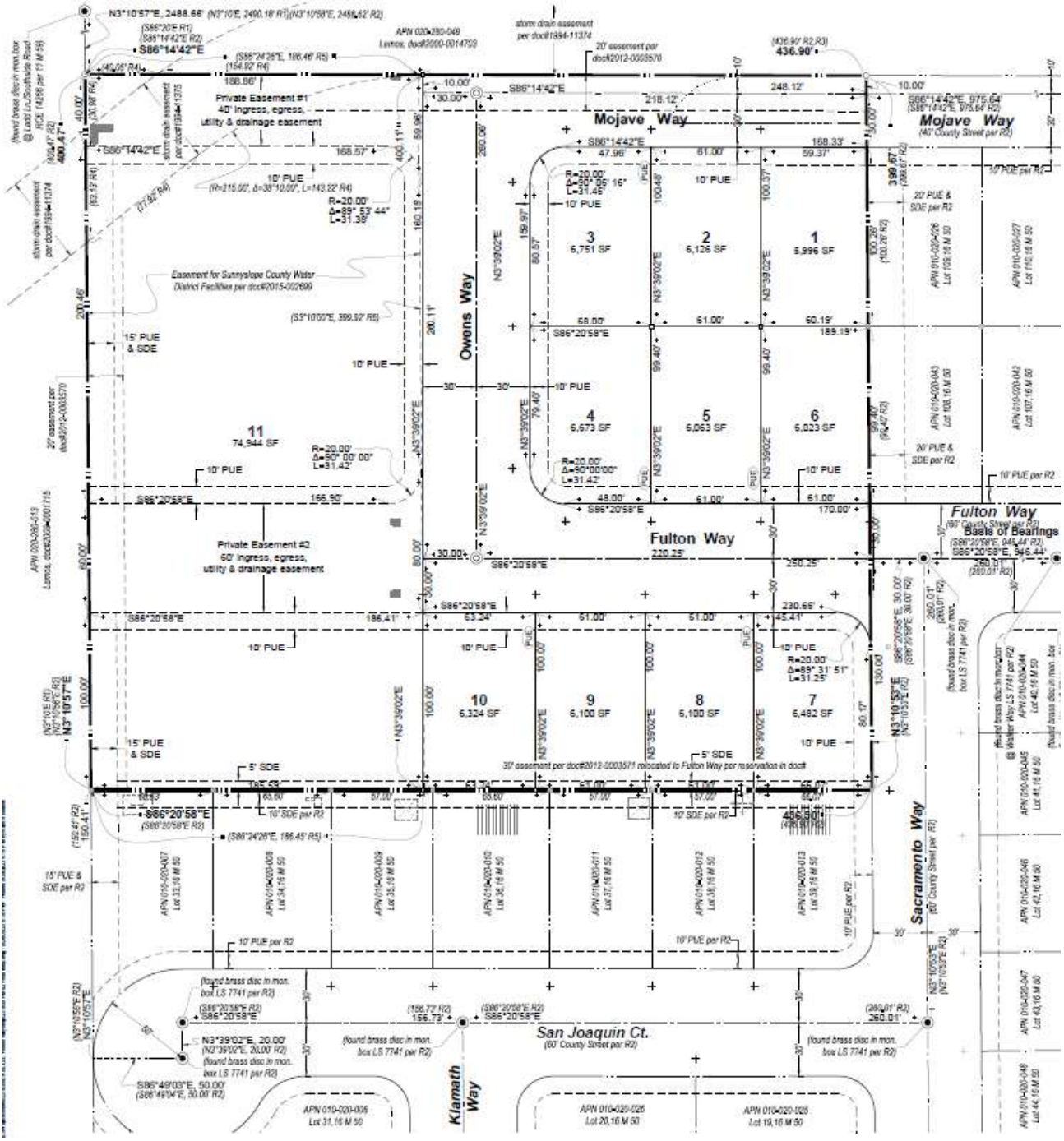


EXHIBIT B
(Map of Development)



Board of Directors:
Michael Reeves
President
Robert Connolly
Vice-President
Emily Renzel
Secretary
Tina Jollyschmidt
Treasurer
Lorelei Grubinskas
Gretchen Lester
Belis Etem
Jeff Micko

Advisors & Committee Members:
Christine Breen
Jessica Brem
Dave Brigantino
Sallie Calhoun
Candy Coleman
Zooey Diggory
Dan Dungy
Katherine Foster
Adam French
Paul Hain
Alan Robertson
Ron Ross
Leila Sadeghian
Brian Schmidt
Sara Steiner
Ray Trabucco
Mary Watson

ACCREDITED LAND TRUST ACCREDITATION COMMISSION
Sound Finances
Ethical Conduct
Responsible Governance
Lasting Stewardship

October 13, 2026

Giano Del Curto
BYLT Construction Company
PO Box 626
Hollister, CA 95024
byltconstructionco@gmail.com

cc:
Dan Shaw, dans@lgservicing.com
Drew Lander, Sunnyslope County Water District General Manager,
drew@sunnyslopewater.org

Re: Fulton Mojave Southside Project Mitigation

Dear Mr. Del Curto:

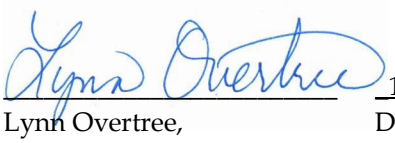
The San Benito County requires 1:1 mitigation for 4.0 (four) acres of prime ag to offset the loss of agricultural land as a result of this project. This requirement can be satisfied with an in-lieu payment to a qualified nonprofit or government entity, such as the San Benito Agricultural Land Trust, to enable that entity to purchase an agricultural conservation easement on equivalent acreage and quality of farmland in the region.

The San Benito Agricultural Land Trust estimates that the cost to purchase the development rights (an agricultural conservation easement) on comparable land will be approximately $13,000 per acre. Using that value estimation and a widely accepted tool, Property Analysis Record (PAR), to determine the associated transaction and long-term monitoring costs, SBALT calculated a total project cost of $73,562. The PAR Report is attached to this letter.

According to my communications with you and the MH engineering Co. map dated August 2026, 1.67 acres will be transferred to Sunnyslope County Water District. The remaining 2.33 acres will be held by you for the construction of ten homes. I was informed on October 12, 2026 that Sunnyslope County Water District will be responsible for the mitigation in-lieu payment for their portion of the 4.0 acres (41.77%) and you will be responsible for your portion (58.23%).

The San Benito County Agricultural Trust will accept payment of $73,562 to fulfill the County's condition to permanently protect 4.0 acres of prime farmland in the region. You may provide two payments that reflect Sunnyslope Water District's 41.77% ($30,726.85) and your 58.23% ($42,835.15).

If you have any questions, feel free to contact me. If you agree with this proposal, please sign on the following page.

San Benito Agricultural Land Trust		Fulton Mojave Project	
	10/13/26		
Lynn Overtree,	Date	Giano Del Curto	Date
Executive Director		Bylt Construction Company	

PAR

Property Analysis Record

"Planning for Conservation in Perpetuity"

San Benito Agricultural LAND TRUST

Title:	Del Curto Project
	San Benito, California
PAR Code/ Internal Reference:	M005
Prepared For:	Giano Del Curto
Prepared By:	Lynn Overtree
	San Benito Agricultural Land Trust
Date:	

Contents: The PAR report potentially contains 11 sections, from (I) Property Information to (XI) Labor and Contract Summary. Some sections, if not relevant, may not be included in this report.

Attributions and Disclaimers: The Center for Natural Lands Management (CNLM) designed the first "PAR" (Property Analysis Record) software—a program that supports the calculation of perpetual stewardship costs of conservation lands. This PAR analysis was produced using a QuickBase application developed by Veilsun, Inc. and was based on CNLM's PAR3©. CNLM makes no representations about the accuracy of the cost estimates. The PAR analysis represented in this report was only prepared by CNLM if indicated specifically on this cover. External users of this application or recipients of this report, who may make related decisions or investments based on this information, should consult with their own internal sources and financial advisors concerning appropriate interpretation and financial assumptions.

Del Curto Project M005

I. Property Information

PAR Name: Del Curto Project

Preserve Name: Undetermined

PAR Code: M005

Size of Conserved Area: 2 acres

Part of Larger Anticipated Preserve? No

Location/Jurisdiction: Southside Road

County: San Benito

Address: 0 Southside Road

City, State, Zip Code: Hollister, California, 95023

APN(s): 020-280-054

Prepared For: Giano Del Curto

Prepared By: Lynn Overtree, San Benito Agricultural Land Trust

Date PAR Initiated: 03-11-2026

Notes/Comments: Giano Del Curto Cell: 831-207-5130 byltconstructionco@gmail.com

Purpose of Preservation

Preserve Type: Mitigation

Primary Purpose: Agricultural preservation

Notes/Comments: Entirely within prime farmland as designated by the State Dept of Conservation's Farmland Mapping and Monitoring Program (FMMP) and SSURGO.

II. Project Structure

Role	Contact	PAR Contact?
Easement Grantee	Contact Person: Entity: San Benito Agricultural Land Trust Address: Phone: Email:	
Endowment Manager - Easement	Contact Person: Entity: San Benito Agricultural Land Trust	

Role	Contact	PAR Contact?
	Address: Phone: Email:	
PAR Preparer	Contact Person: Lynn Overtree, Executive Director Entity: San Benito Agricultural Land Trust Address: P.O. Box 145, San Juan Bautista, CA 95045 Phone: (831) 224-5059, (831) 593-1030 Email: lynn@sanbenitolandtrust.org	
Project Proponent	Contact Person: Giano Del Curto Entity: Bylt Construction Company Address: BYLTconstructionco.com Phone: (831) 207-5130 Email: byltconstructionco@gmail.com	
Project Funder	Contact Person: Dan Shaw Entity: LG Servicing Address: Phone: (408) 221-8870 Email: dans@lgservicing.com	

III. Property Details

Title Report

No Title Report Data

Tax and Fees

No Taxes and Fees Data

IV. Preserve Context

Adjacent Land Use

Type	Specific Description
Agriculture	

Adjacent Developed Features

No Adjacent Developed Features Data

Hydrological and Geographic Context

No Hydrological and Geographic Context Data

Regional and Adjacent Protection

No Regional and Adjacent Protection Data

V. Site Features, Use, and Responsibilities

Site/Preserve Use and Responsibilities

Category	Description	Allowed?	Required?	Responsible Party or Entity	Comments
Agriculture	Farming	Yes	Yes	Landowner	

Site/Preserve Features and Responsibilities

Category	Description	Present?	Future Allowed?	Responsible Party or Entity	Comments
Agriculture	Farming		Yes	Landowner or Tenant	

VI. Biological Assessment

Animals

No Animal Data

Plants and Fungi

No Plants or Fungi Data

Natural Communities

No Natural Communities Data

Non-Natives

No Non-Natives Data

Notes/Comments: N/A

VII. Permits and Agreements

Preserve Creation

No Preserve Creation Data

Preserve Stewardship

No Preserve Stewardship Data

VIII. Documents List

Document Description	Author/Source	Date/Version	Comments
Utility and/or Other Easements (w/map)			
Preliminary Title Report			
Phase 1 Environmental Report			
Hazardous Materials Evaluation			
GIS Data			
Conservation Easement(s)			
Baseline Documentation Report	San Benito Agricultural Land Trust		To be written near closing of conserved property

IX. Tasks and Cost Analysis

Initial and Capital

Task	Specific Description	Unit	# of Units	Cost per Unit	# of Years	Contin (%)	Subtotal	Admin (%)
Acquisition								
Appraisal	Appraisal of Property	Item	0.2	$15,000.00	1	10%	$3,300.00	20%
Boundary Survey	Survey/Staking	Item	0.2	$2,000.00	1	10%	$440.00	20%
Escrow	Fee	Dollars	0.2	$1,300.00	1	10%	$286.00	20%
Inspection	Property Inspection	L. Hours	1	$70.00	1	10%	$77.00	20%
Land Purchase	Acquisition Cost	Acre	4	$13,000.00	1	10%	$57,200.00	
Legal Assistance	Prepare/Review Documents	C. Hours	0.5	$600.00	1	10%	$330.00	20%
Negotiation	Negotiation of Purchase	L. Hours	5	$95.00	1	10%	$522.50	20%
Phase I Environmental Report	Inspection for toxic substances	Item	0.2	$2,500.00	1	10%	$550.00	20%
Property Search	Search Ownerships/Maps	L. Hours	5	$70.00	1	10%	$385.00	20%
Recording Fees	Record Documents	Page	0.2	$200.00	1	10%	$44.00	20%
Title Insurance	Standard CLTA	Dollars	0.2	$1,000.00	1	10%	$220.00	20%
Conservation Easement								
Baseline Documentation	Preparation	L. Hours	5	$70.00	1	10%	$385.00	20%
Easement Compliance Monitoring	Comprehensive Site Visits (e.g., Photo-documentation)	L. Hours	0	$70.00		10%	$0.00	20%
Easement Compliance Monitoring Report	File Transfer, File Maintenance	L. Hours	0	$70.00		10%	$0.00	20%
Easement Violation	Notifications and Reports	L. Hours	0	$95.00		10%	$0.00	20%

Del Curto Project M005

Task	Specific Description	Unit	# of Units	Cost per Unit	# of Years	Contin (%)	Subtotal	Admin (%)
Easement Violation	Communications	L. Hours	0	$95.00		10%	$0.00	20%
Easement Violation	Legal Services	L. Hours	0			10%	$0.00	20%
Landowner Communications	Owner Queries, Permitted Use Requests	L. Hours	0	$95.00		10%	$0.00	20%
Landowner Communications	Visit Notifications, Communications	L. Hours	0	$70.00		10%	$0.00	20%
New Landowner Communications	Introduction and Explanation of CE	L. Hours	0	$95.00		10%	$0.00	20%

Subtotal: $63,739.50
Administration: $1,307.90
Total: $65,047.40

Perpetual

Task	Specific Description	Unit	# of Units	Cost per Unit	Freq (Yrs)	Contin (%)	Subtotal	Admin (%)
Acquisition								
Appraisal	Appraisal of Property	Item	0					
Boundary Survey	Survey/Staking	Item	0			10%		20%
Escrow	Fee	Dollars	0			10%		20%
Inspection	Property Inspection	L. Hours	0			10%		5%
Land Purchase	Acquisition Cost	Acre	0			10%		20%
Legal Assistance	Prepare/Review Documents	C. Hours	0			10%		20%
Negotiation	Negotiation of Purchase	L. Hours	0			10%		5%
Phase I Environmental Report	Inspection for toxic substances	Item	0					
Property Search	Search Ownerships/Maps	L. Hours	0			10%		5%
Recording Fees	Record Documents	Page	0			10%		20%
Title Insurance	Standard CLTA	Dollars	0			10%		20%
Conservation Easement								
Baseline Documentation	Preparation	L. Hours	0		10	10%	$0.00	5%
Easement Compliance Monitoring	Comprehensive Site Visits (e.g., Photo-documentation)	L. Hours	0.5	$70.00	1	10%	$38.50	20%
Easement Compliance Monitoring Report	File Transfer, File Maintenance	L. Hours	0.5	$70.00	1	10%	$38.50	20%
Easement Violation	Notifications and Reports	L. Hours	4	$95.00	15	10%	$27.87	20%
Easement Violation	Communications	L. Hours	5	$95.00	15	10%	$34.83	20%
Easement Violation	Legal Services	L. Hours	1	$600.00	15	10%	$44.00	20%

Del Curto Project M005

Task	Specific Description	Unit	# of Units	Cost per Unit	Freq (Yrs)	Contin (%)	Subtotal	Admin (%)
Landowner Communications	Owner Queries, Permitted Use Requests	L. Hours	1	$95.00	10	10%	$10.45	20%
Landowner Communications	Visit Notifications, Communications	L. Hours	0.5	$70.00	1	10%	$38.50	20%
New Landowner Communications	Introduction and Explanation of CE	L. Hours	3	$95.00	20	10%	$15.68	20%

Subtotal: $248.33
Administration: $49.67
Total: $298.00

X. Financial Summary

Item Description	Total
Financial Requirements—Initial and Capital	
Management Costs	$57,945
Contingency Expense	$5,795
Administrative	$1,308
Total Costs	$65,047
Financial Requirements—Perpetual	
1. Average Annual Perpetual Costs	
Management Costs	$226
Contingency Expense	$23
Administrative	$50
Total Costs	$298
2. Endowment	
Endowment to Produce Income of $298	$8,514
Stewardship costs are based on 3.5% *of endowment earnings per year*	
Total Funding Required	$73,562
Includes Initial and Capital Total Cost plus Endowment	

XI. Labor and Contract Summary

Labor Summary

No PAR Position Data

Contract Summary

Del Curto Project M005

Type	Initial and Capital		Perpetual^	
	Total Units	Cost*	Total Units	Cost*
Items/Other				
Contract Hours	0.5	$330		
Summarized Costs				
Contract Subtotal		$330		$0
Contract Admin		$66		
Contract Total		$396		$0

* Includes contingency cost
^ Represents average annual labor costs or time (hours)

Staff Report

Agenda Item: **I - 2**

DATE: November 11, 2026 (November 17, 2026, Meeting)

TO: Board of Directors

FROM: Drew Lander, General Manager
Dee J Burbank, Operations and Maintenance Crew Chief

SUBJECT: Authorize the General Manager to Make Repairs To Well #7 for a Total Cost Not to Exceed $50,000 (CEQA Categorically Exempt 15301 (d)).

RECOMMENDATION:
Authorize the General Manager to complete a repair to the Well #7 pump at a total cost not to exceed $50,000.00.

BACKGROUND:
In November of 2024 staff requested $90,000 to rehabilitate Well #7 and to install a submersible pump. When it was extracted, the pump exhibited signs of wear indicative of grit or sand being pulled into the pump bowl. Since the well pump had been in service for over 30 years these marks were not alarming to staff even though they did appear to be the reason the pump was beginning to vibrate and wear out. The age of the wear was not evident in the initial investigation.

Last month the pump would not start properly. After several attempts to get the pump to rotate the solution required the pump to be pulled to be inspected. An emergency extraction of the pump was ordered and the pump was returned to the manufacture for a warranty inspection. The damage appears to be a result of grit and sand material passing through the screen. Although this does happen from time to time, it is rare and is not an indication of a failing well. All evidence aligns with the prior well pump failing because of sand and grit, and the new pump, which has only been in service for 2 years, is also required to be replaced.

Even though the pump itself is not able to be warrantied, Maggiora Bros. Drilling, Inc. has agreed to provide favorable pricing for the pump replacement and the recommendation to prevent damage from occurring in a new pump will be to install a shroud over the pump so that falling grit or sand will continue past the pump and will not be sucked up the well collum.

A sand and grit separator will be installed in a short section of piping on the discharge side of the pump so that staff can monitor if sand or grit continues to plage this well.

FINANCIAL IMPACT:
A total project cost Not to Exceed $50,000.00 from District Water System Capital Improvement Reserves. This expense is in addition to the $90,000 spent two years ago in replacing the pump. The shroud is included in the cost of the re-install so this is anticipated to be the only repair needed. The pump will be monitored closely after installation to ensure this

ENVIRONMENTAL IMPACT:
The proposed work is to repair an existing asset and will not result in greater impacts to the environment. The proposed action is Categorically Exempt 15301 (d) (State CEQA Guidelines) and therefore CEQA is not applicable.

ATTACHMENTS:

1) Staff Email - Franklin Electric Inpsection Findings
2) Maggior Bros Drilling, Inc. Well #7 quote Nov. 02, 2026.

Drew Lander

From: DeeJ Burbank
Sent: Tuesday, November 3, 2026 11:36 AM
To: Drew Lander
Subject: Well #7 Proposal
Attachments: ss water well 7.pdf; 5 (21).JPG; 11 (38).JPG; 10 (36).JPG; 9 (17).JPG

Drew,

I'm including all the information I have for the recent events at well #7.

Included is a PDF of the total project cost from Maggiora Brothers Drilling Inc.
Pictures of the motor internals.
Picture of the pump shaft wear.
Report from Franklin Electric with the denial of warranty with comments.



Above picture is shaft wear on the pump from possibly sediment.

Franklin Electric Motor Failure Report

The following information describes the product failure analysis of the E1 Warranty Claim Number 171420 submitted for inspection at our Franklin Electric facility.

Franklin Electric appreciates your cooperation in this matter.
Warranty Claim Information
E1 Warranty Case Number: 171420
RMA Number: 189786

PO Number: 18328741

Customer: WESTERN HYDRO - CA, LIVERMORE 01 SH
Model Number: 2391058504
Description: 8C3F(125HP,460/380,6/5,W)SF
Serial Number: 25B19 10 000288
Loyalty ID: 564
Reference Number: 401 0097

Shipping Carrier: UPS Account

Shipping Account Number: 999665 LongDetails Comments - FLOWISE PUMP END

WARRANTY CLOSED DATE: 10/22/26
WARRANTY STATUS: Scrap – No Warranty
WARRANTY DISPOSITION: Denied – No Credit (Analysis Only)

RMA Technician Failure Analysis
Reason for Return: Based on information in the case file this motor was returned for analysis inspection only and no credit or replacement is needed.

As-Received Condition and Initial Inspection: Upon receipt, this motor failed standard inspection for several reasons, including an insulation resistance reading of 0 MΩ when checked through the returned leads and without leads attached, winding resistance readings out of specification, and tight, rough rotor rotation.

Potential Evidence of Prior Repair or Field Disassembly: Inspection found no evidence of prior repair or field disassembly.

Teardown Inspection Findings: Teardown inspection found damage consistent with an overheating failure, including a worn and grooved rotor shaft extension at the shaft seal area, a worn shaft seal, and both radial bearings heavily worn and grooved. The thrust washer showed heat-related chipping, and the thrust segments were worn and discolored. The rotor was stuck inside the stator and was not removed. Severe electrical damage was also found directly in line with the prong assembly, including a hole burned through the liner into the stator bore and a severely burned area on the OD of the top end bell snout.

Potential Manufacturing Defect Assessment: Inspection identified no manufacturing defects.

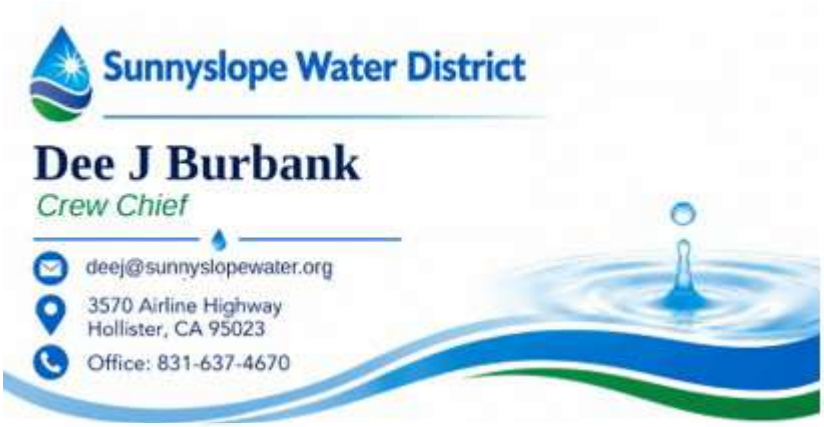
Additional Comments: This motor was returned as a 7-type case and was scrapped following analysis inspection.

Analysis and Conclusions: Based on all available information, the apparent root cause of this motor failure was overheating. However, the exact cause for the overheating condition could not be determined.

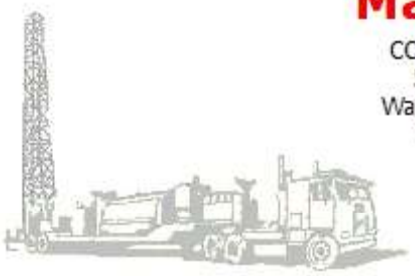
The proposal from Maggiora includes a pump shroud to help minimize any sediment from entering the pump after install. In addition, I've had them include a sand indicator we can have installed on the discharge to monitor sediment pumping of the well. This will be useful once we upgrade and have the pump running on a VFD to minimize wear and extend the Pump/Motors service life.

Let me know if you need anymore information.

Thanks,



Maggiora Bros Drilling, Inc.



CORPORATE OFFICE
595 Airport Blvd
Watsonville, CA 95076
(831) 724-1338

BRANCH OFFICE
2001 Shelton Drive
Hollister, CA 95023
(831) 637-8228

(800) 728-1480

STATE CONTRACTORS LICENSE #249957

Attention: DEE J BURBANK **Date:** 11/02/2026 **Quote No.:** 106483 **Rev No.:** 0

Billing Address:

SUNNYSLOPE COUNTY WATER
Attn: DEE J BURBANK
3570 AIRLINE HWY
HOLLISTER, CA 95023

Phone: (831) 637-4670

Fax:

Email: madison@sunnyslopewater.org

Job Address:

SUNNYSLOPE COUNTY WATER
ENTERPRISE RD WELL#7
ACROSS FROM LICOS LABOR CAMP
HOLLISTER, CA 95023
Job Attention: Dee J

Phone: (831) 637-4670

Fax:

Email:

A. The following is the Maggiora Bros. Drilling, Inc. proposal to inspect electrical equipment, pull well pump equipment, inspect well pump equipment, make appropriate repairs and re-install well pump equipment.

B. General description of work requested: PER CUSTOMER REQUEST, PULL FAILED 125HP SUBMERSIBLE WELL EQUIPMENT. UPON INSPECTION WE DETERMINED THE SUBMERSIBLE PUMP END HAD BEEN DAMAGED FROM PUMPING SEDIMENT. WE RECOMMEND REPAIRING THE EXISTING PUMP END. THE SUBMERSIBLE MOTOR IS SUBJECT TO MANUFACTURER WARRANTY GUIDELINES. THIS MOTOR HAS BEEN RETURNED FOR WARRANTY CONSIDERATION. UPON INSPECTION THIS MOTOR WAS DENIED A WARRANTY CONSIDRATION.BECAUSE HOW THIS WELL IS CREATED, WE WOULD RECOMMEND PUTTING A SHROUD TO HELP WITH THE SAND ISSUES, THERE ARE NO GUARANTEES, BUT THIS COULD POSSIBLY HELP WITH THIS ISSUE. PER CUSTOMER REQUEST WE WILL INSTALL A SAND TESTER ON THE DISCHARGE LINE AT THE WELL SITE. SALES TAX AND FREIGHT INCLUDED IN PROPOSAL.

DESCRIPTION	QTY	UOM	UNIT PRICE	ITEM TOTAL
125HP 460V 8" FRANKLIN SUBMERSIBLE MOTOR	1		22,890.00	22,890.00
UPON INSPECTION THIS MOTOR WAS DENIED A WARRANTY CONSIDERATION. DUE TO SAND DAMAGE AND A POSSIBLE ELECTRICAL ISSUE.				
REBUILD FW10IC 3 STAGE PUMP END	1		3,050.00	3,050.00
12" SHROUD	1		1,375.00	1,375.00
ROSLIN SAND TESTER	1		1,283.33	1,283.33
CHLORINE LIQUID 12.5% NSF 61 CERTIF	4	1	36.46	145.84
LABOR & PUMP RIG TO PULL & INSTALL	1	LS	8,500.00	8,500.00
LABOR - LUMP SUM	1	LS	4,885.00	4,885.00
THIS INCLUDES TIME ALREADY AT THE SITE TO TRACE ELECTRICAL ISSUES, AND INSTALLATION OF A LOANER SIZE 5 STARTER FOR THIS SITE.(WE WANT OUR LOANER EQUIPMENT BACK WHEN YOU GET YOUR NEW VFD FUNCTIONING AT THIS SITE.)				
MISC. electrical fittings	1	1	1,075.00	1,075.00
THIS INCLUDES ALL SPLICING MATERIALS AND BANDING REQUIRED FOR INSTALLATION.				

Total Labor:	13,385.00
Total Materials:	29,819.17
Total:	$43,204.17

50% Deposit due PRIOR to SCHEDULING of job. BALANCE DUE UPON COMPLETION.
Proposal is valid 1 month from date above

I HAVE READ AND UNDERSTAND THESE TERMS. My signature indicates my ACCEPTANCE & AUTHORIZATION for work to begin.

Quote No.: 106483 **Date:** 11/02/2026 **Rev No.:** 0

Jeff Hansen Hollister	11/02/2026		
Authorized Salesperson	Date	Customer Acceptance	Date

Staff Report

Agenda Item: I – 3

DATE: November 17, 2026

TO: Board of Directors

FROM: Employee and Personnel Committee – President Alcorn & Director Brown, General Manager - Drew Lander

SUBJECT: Approve A 5% General Manager Incentive Pay In An Amount Not To Exceed $10,205.

RECOMMENDATION:
Approve a 5% incentive pay per section 3.2 of the current General Manager employment contract in the amount of $10,205.

BACKGROUND:
In compliance with the GM's annual performance evaluation contract requirement, the Employee and Personnel Committee met on November 12th to discuss his performance for 2026. As part of this contractual duty, the District is required to create an incentive pay pool between 2% and 5% of the total base salary of GM. The Specific contractual language is as follows:

> *3.2. Incentive Pay. An incentive pay pool shall be established at no less than 2% and no greater than 5% equal to the total base salary of General Manager. The incentive pay pool for each year will use the total base salary of the General Manager of the year prior. The incentive is based upon performance in accordance with achievement of Board adopted goals and objectives. Said payment shall be a one-time payment for each contract year and shall not increase the General Manager's base pay.*

DISCUSSION:
The District Board negotiates and approves the wages and benefits of the GM. The Board will meet in Closed Session prior to the regularly scheduled meeting to discuss GM performance. The Brown Act requires an oral report in open session at the meeting where final action is to be taken that summarizes the recommendation for final action on the salary, salary schedule, or compensation paid in the form of fringe benefits of a "local agency executive" as that term is defined in Government Code section 3511.1 (e.g., management and department heads, including persons serving under an employment contract). (Gov. Code, § 54953)

Through evaluating his performance review, the Employee and Personnel Committee recommends the District Board approve a 5% incentive pay for its GM, Drew Lander, in open session at the November Board meeting.

This action aligns with the General Manager's current contract, which ties incentive pay to the achievement of Board-adopted goals and objectives. Under the agreement, this is a one-time payment that does not increase the General Manager's base salary.

Following the performance review, the Board may approve this recommendation to award incentive pay. Approving this item concludes the 2026 General Manager performance review.

FINANCIAL IMPACT:

Approval of this item will authorize incentive pay not to exceed $10,205, to be paid to the General Manager for the successful completion of the GM annual review. Wages are included in the approved FY26-27 budget.