



Sunnyslope County Water District

BOARD OF DIRECTORS

REGULAR MEETING

District Office Board Room/Teleconference



3570 Airline Hwy., Hollister, CA

NOTICE & AGENDA

OCTOBER 27, 2026

Regularly Scheduled Board Meeting - 5:15PM

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 @ 5:00PM

C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS:

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

REGULAR SESSION @ 5:15PM

D. PLEDGE OF ALLEGIANCE

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

1. **Employee & Personnel Committee – Closed Session, October 10th**
2. **Employee & Personnel Committee – Closed Session, October 23rd**
3. **Regular Board Meeting – Closed Session, October 27th**

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 comment¹ 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 Board² on these items, not to exceed 3 minutes, when the Board reviews each pulled item.

1. Approve Minutes of the Board
 - Special Board Meeting – October 6, 2026 (page 1)
2. Receive and Accept Allowance of Claims for Disbursements from September 1, 2026 Through September 30, 2026 (page 7)
3. Receive and Accept Engineering Services Monthly Status Report (page 10)
4. Receive and Accept Finance Manager Monthly Status Reports:
 - a) Narrative Report (page 13)
 - b) Operation Summary (page 22)
 - c) Statement of Income (page 26)
 - d) Investment Summary (page 28)
 - e) Board Designated Reserves (page 29)
5. Receive and Accept Superintendent Monthly Status Reports:
 - a) Maintenance (page 30)
 - 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 Board² on these items as the Board reviews each item when directed to do so.

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) (page 56)

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). (page 97)
3. Authorize The District President To Sign Resolution No. 623 Adopting The 2026-27 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). (Page 115)
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). (Page 119)

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. 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.

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 6, 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. No comments were received.

- C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS:** President Alcorn retired the meeting to Closed Session at 5:02 p.m. to discuss two items.

1. Management Compensation/Benefits (§ 54957.8)

- i.* Unrepresented Management Staff Classifications

2. Public Employee Performance Review (§ 54957)

- i.* General Manager

President Alcorn returned the meeting from closed session at 5:17 p.m. and announced a short recess to allow for staff and the public to join the meeting in the board room.

President Alcorn resumed the session at 5:24 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 Buzzetta 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 Closed session.

Mr. Laredo reported that regarding item number 1, Management Compensation/Benefits (§ 54957.8) discussion occurred, and no reportable action was taken. Item number 2, Public Employee Performance Review (§ 54957) was discussed but no reportable action was taken.

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.

F. 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.

Sunnyslope customer, Adam Mendolla, a homeowner at Petaluma Ct., asked the Board to consider waving the capacity and installation fees associated with installing a new water meter for an accessory dwelling unit (ADU) he is constructing at his residence. He explained the City of Hollister was requiring a new meter be set for this ADU.

G. CONSENT AGENDA:

1. Approval of Minutes for:

Regular Board Meeting of August 25th, 2026

Special Board Meeting of September 4th, 2026

2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of August 1, 2026 through August 31, 2026, totaling \$3,671,240.58 includes \$2,065,479.59 for payments to vendors, \$327,958.60 for Payroll, and \$516,954.24 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
8/5/2026	DFT0001242	Principal	5,035.23
8/6/2026	55360	Abraham Romero	125.00
8/6/2026	55361	Ace Hardware (Johnson Lumber Co.)	362.15
8/6/2026	55362	Amazon Capital Services	48.29
8/6/2026	55383	ANDREW BUSTAMANTE JACKIE ORTIZ & STEVEN ORTEZ	38.03
8/6/2026	55363	Auto Tech Service Center, Inc.	150.00
8/6/2026	55364	Brenntag Pacific, Inc.	13,964.23
8/6/2026	55365	Brigantino Irrigation	816.34
8/6/2026	55366	Calcon System, Inc.	20,600.00
8/6/2026	55367	City of Hollister-Finance Dept	516,954.24
8/6/2026	55368	CWEA Membership- TCP	491.00
8/6/2026	55369	Extreme Air, Inc.	360.00
8/6/2026	55384	JACK CLAPSADDLE & OLGA ARREOLA	149.75
8/6/2026	55370	Jesse Mack Company Inc.	8,209.75
8/6/2026	55371	John Smith Road Landfill	415.04
8/6/2026	55382	KEVIN SANCHEZ & JAMIE JUAREZ	199.63
8/6/2026	55372	Mission Uniform Service	535.79
8/6/2026	EFT0000328	Net Pay	84,968.56
8/6/2026	55373	Recology San Benito County	375.19
8/6/2026	55374	Reliable Translations	274.32
8/6/2026	55375	San Benito County Water District	417.75
8/6/2026	DFT0001250	Sterling Administration Health	175.23
8/6/2026	55376	Toro Petroleum Corp.	2,786.61
8/6/2026	EFT0000329	Total Tax	20,703.96
8/6/2026	55377	U.S. Bank Corporate Payment Systems	1,647.68
8/6/2026	55378	Underground Service Alert North 811	633.15
8/6/2026	55379	USA Blue Book	3,129.14
8/6/2026	55380	Wallace Group	2,880.25
8/6/2026	55381	Wright Bros. Indust. Supply	400.70
8/10/2026	DFT0001261	CalPERS - Retirement	23.08

8/10/2026	DFT0001255	CalPERS - Retirement	7,841.78
8/10/2026	DFT0001253	CalPERS - Retirement	11,987.88
8/10/2026	DFT0001246	iCloud	15,593.45
8/10/2026	DFT0001258	Nationwide Retirements Solutions	1,112.00
8/10/2026	DFT0001259	Nationwide Retirements Solutions	10,963.16
8/10/2026	DFT0001247	Sterling Administration Health	34.10
8/10/2026	DFT0001249	Sterling Administration Health	99.00
8/11/2026	55385	Ace Hardware (Johnson Lumber Co.)	63.16
8/11/2026	55386	All American Mailing, Inc.	3,981.11
8/11/2026	55387	Amazon Capital Services	100.29
8/11/2026	55388	Brenntag Pacific, Inc.	36,380.36
8/11/2026	55389	Calgon Carbon Corporation	71,697.79
8/11/2026	55390	CM Analytical, Inc.	26,769.75
8/11/2026	55391	Doane and Hartwig Water Systems, Inc.	1,847.91
8/11/2026	55392	Iconix Waterworks (US) Inc.	9,365.17
8/11/2026	DFT0001244	P G & E	44,033.30
8/11/2026	55393	Quinn Company	3,616.93
8/11/2026	55394	Simplot Grower Solutions	1,774.10
8/11/2026	55395	Smart Solar Cleaning	2,840.40
8/11/2026	55396	USA Blue Book	61.13
8/12/2026	DFT0001243	Colonial Life	2,515.14
8/12/2026	55397	San Benito County- Surveyor	1,000.00
8/12/2026	55398	San Benito County-LAFCO	7,500.00
8/13/2026	DFT0001251	Sterling Administration Health	148.00
8/14/2026	DFT0001245	ADP	2,541.88
8/18/2026	55432	GILLIANA VALADEZ & JACOB ZAMORA	31.33
8/18/2026	55399	Katch Environmental, Inc.	1,206,886.24
8/18/2026	55431	NORMA DI VALL C/O DENNIS ROBERTSON	3.01
8/18/2026	55430	ZENAIDA AND RAMON MENDOZA	34.09
8/20/2026	EFT0000334	Net Pay	89,358.26
8/20/2026	EFT0000335	Total Tax	21,507.40
8/21/2026	55400	A Tool Shed	1,104.66
8/21/2026	55401	A-1 Services	504.00
8/21/2026	55402	Abel Alvarez	250.00
8/21/2026	55403	ACC Business	1,339.24
8/21/2026	55404	Ace Hardware (Johnson Lumber Co.)	120.22
8/21/2026	55405	Amazon Capital Services	846.52
8/21/2026	55406	Brenntag Pacific, Inc.	38,758.62
8/21/2026	55407	Brigantino Irrigation	290.47
8/21/2026	55408	Community Printers, Inc.	2,176.66
8/21/2026	55409	Dana Sullivan	2,141.03
8/21/2026	55410	De Lay & Laredo	3,441.00
8/21/2026	55411	EBCO Pest Control	82.00
8/21/2026	55412	Frank A Olsen Co.	1,800.00
8/21/2026	55413	Grainger, Inc.	62.84
8/21/2026	55414	Hollister Auto Parts, Inc.	530.55
8/21/2026	55415	ICON Cloud Solutions, LLC	296.48
8/21/2026	55416	InfoSend	3,482.24
8/21/2026	55417	Interstate Battery System of San Jose Inc	301.54
8/21/2026	55418	Mission Uniform Service	1,124.00
8/21/2026	55419	Raftelis Financial Consultants, Inc.	9,073.75
8/21/2026	55420	Rio Vista Chevrolet	96,853.82
8/21/2026	55421	Ryan Herco Flow Solutions	401.35
8/21/2026	55422	Star Concrete	643.49
8/21/2026	55423	State Water Resources Control Board-DWPF	105.00
8/21/2026	55424	Toro Petroleum Corp.	2,587.48

8/21/2026	55425	TPO	625.00
8/21/2026	55426	Trans Union LLC	224.30
8/21/2026	55427	ULINE	305.28
8/21/2026	55428	USA Blue Book	137.67
8/21/2026	55429	Veolia Water Technologies, Inc.	10,567.36
8/24/2026	DFT0001252	CalPERS - Health Insurance	37,252.81
8/24/2026	DFT0001260	CalPERS - Retirement	23.08
8/24/2026	DFT0001262	CalPERS - Retirement	7,700.20
8/24/2026	DFT0001254	CalPERS - Retirement	11,968.54
8/24/2026	DFT0001256	Nationwide Retirements Solutions	1,112.00
8/24/2026	DFT0001257	Nationwide Retirements Solutions	10,963.16
8/27/2026	55433	Ace Hardware (Johnson Lumber Co.)	60.59
8/27/2026	55434	Amazon Capital Services	1,044.36
8/27/2026	55435	Anne Muraski	14,760.00
8/27/2026	55436	Atlas Copco Compressors LLC	158.00
8/27/2026	55437	Auto Tech Service Center, Inc.	150.00
8/27/2026	55438	B.S.K. Associates	2,206.53
8/27/2026	55439	Brenntag Pacific, Inc.	18,896.20
8/27/2026	55440	Brigantino Irrigation	20.62
8/27/2026	55441	Calif. Dept. of Pesticide Regulation	270.00
8/27/2026	55442	CM Analytical, Inc.	28,539.00
8/27/2026	55443	CWEA Membership- TCP	133.00
8/27/2026	55444	CWSRF Accounting Office	759,974.56
8/27/2026	55445	Doane and Hartwig Water Systems, Inc.	82.84
8/27/2026	55446	E.H. Wachs Co.	103.85
8/27/2026	55447	Ewald Associates Inc,	475.57
8/27/2026	55448	First Trust Alarm Company	324.95
8/27/2026	55449	Green Valley Farm Supply, Inc	112.16
8/27/2026	55450	Hollister Auto Parts, Inc.	46.97
8/27/2026	55451	Iconix Waterworks (US) Inc.	1,941.28
8/27/2026	55452	Mission Uniform Service	591.24
8/27/2026	55453	O'Reilly Auto Parts	91.98
8/27/2026	55454	Quinn Company	2,842.10
8/27/2026	55455	San Benito Tire Pros & Automotive	900.22
8/27/2026	55456	Star Concrete	547.34
8/27/2026	55457	USA Blue Book	6,175.27
8/27/2026	55458	Veolia Water Technologies, Inc.	86,919.34
8/27/2026	55459	Verizon Wireless	610.90
8/27/2026	55460	Wallace Group	222,146.16
8/27/2026	55461	Wright Bros. Indust. Supply	225.98
8/28/2026	55462	GMC Electrical, Inc.	2,925.00
8/31/2026	MISC0000584	PG&E Invoice correction	10.00

-\$3,671,240.58

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 Brown to approve the Consent Agenda, 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.

H. NEW BUSINESS:

1. Authorize The General Manager To Continue Participation In Shared Contractual GIS Services Through San Benito For A Cost Not To Exceed \$22,983. (Not A Project Under CEQA Per Article 20, Section 15378)

General Manger Drew Lander explained the value of the GIS program, including the digital conversion and ongoing maintenance of the District's maps. The GIS system allows District maps to be maintained digitally and provides staff with an integrated system for recording and sharing notes, reducing the District's reliance on manually updating, printing, and physically maintaining maps.

Following discussion and with no public comment, President Alcorn requested a motion to approve the item. Director Martinez made a motion to approve the item as written, seconded by Director Brown. President Alcorn conducted a roll call vote as follows: (DB), yes; (APK), yes; (JB), yes; (OM), yes; and (MA) yes; the motion carried 5-0.

2. Consider Awarding A Contract For The Excavation & Restoration For Insertion Valves Project To Daleo Inc. A Cost Not To Exceed \$95,000 (Project CEQA Exempt Title 22, Section 60101, Class 1: Existing Facilities)

Principal Engineer Rob Hillebrecht requested Board approval to award a contract to Daleo Inc. for excavation and pavement restoration work at five locations. Board members discussed the overall project and plan for ongoing valve replacements.

President Alcorn then asked for any 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.

I. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** (No Meeting)
2. **Water/Wastewater Committee:** (No Meeting)
3. **Finance Committee:** (No Meeting)
4. **Policy and Procedure Committee:** (No Meeting)
5. **Employee and Personnel Committee:** (Meeting held October 7, 2026)
6. **Water Resources Association of San Benito County (WRA):** (No Meeting)

J. BOARD and STAFF REPORTS

1. **Directors:** No Report.
2. **District Counsel:** No Report.

3. General Manager Oral Report: General Manager Lander provided an update on upcoming meetings, District projects, and regional efforts. Mr. Lander advised that a Finance Committee meeting is scheduled for October 14th at 3:00 p.m. and will include discussion of the Raftelis rate model. Board members were also invited to attend the Local Agency Formation Commission (LAFCO) meeting on October 8th at 4:00 p.m. The General Manager will reach out to Stonegate and Tres Pinos regarding invitations to participate in the meeting.

The General Manager reported that the consolidation project is progressing well but is several weeks behind schedule. Additional updates included a worker's compensations visit on October 7th and the General Manager's planned attendance at the San Benito Leadership Institute meeting on October 16th.

Mr. Lander reported that the City of Hollister has adopted an emergency financial declaration. The District is working with the City Manager, Ana Cortez, to better understand the City's financial challenges, and provide assistance and solutions to help recover the City from the current financial distress.

L. FUTURE AGENDA ITEMS:

1. October 27th the Ridgemark sewer flat rate proposal and rate model will be presented to the Board for discussion and authorization to distribute proposition 218 notification.
2. December 15th Public Hearing to accept public input and tabulate protests for Ridgemark sewer flat-rate proposal and rate model adoption.
3. 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.
4. January 26th, 2027, the Board President will make Board committee appointments.

K. ADJOURNMENT: President Alcorn adjourned the meeting at 6:19 p.m.

APPROVED BY THE BOARD:

Michael H. Alcorn, President

RESPECTFULLY SUBMITTED:

Drew A. Lander, Secretary



Sunnyslope Water District

Disbursement Reports FY 26-27

September 1, 2026 through September 31, 2026

Date	Num	Name	Amount	Type
9/2/2026	55488	BJORK CONSTRUCTION / MATT FICUS	198.18	Customer
9/2/2026	55486	JAMES ROCCAFORTE & SARAH ROBERTS	41.80	Customer
9/2/2026	55487	MARIA AVILES	0.82	Customer
9/2/2026	DFT0001263	Sterling Administration Health	200.00	Payroll
9/3/2026	55463	Ace Hardware (Johnson Lumber Co.)	446.61	Vendors
9/3/2026	55464	Advanced Integration & Controls	1,112.50	Vendors
9/3/2026	55465	Amazon Capital Services	479.10	Vendors
9/3/2026	55466	AT&T	378.45	Vendors
9/3/2026	DFT0001266	CalPERS - Retirement	23.08	Payroll
9/3/2026	DFT0001265	CalPERS - Retirement	7,786.12	Payroll
9/3/2026	DFT0001264	CalPERS - Retirement	12,000.94	Payroll
9/3/2026	55467	Carlson's Fire Extinguisher Sales & Serv	885.00	Vendors
9/3/2026	55468	Central Ag Supply LLC	817.79	Vendors
9/3/2026	55469	DUDEK	112,448.34	Vendors
9/3/2026	55470	Eva Green Power	21,534.80	Vendors
9/3/2026	55471	exceedio	384.29	Vendors
9/3/2026	55472	Extreme Air, Inc.	1,361.00	Vendors
9/3/2026	55473	Geotech Environmental Equipment, Inc.	4,161.33	Vendors
9/3/2026	55474	Government Finance Officers Association	250.00	Vendors
9/3/2026	55475	Hollister Auto Parts, Inc.	242.33	Vendors
9/3/2026	55476	John Smith Road Landfill	286.46	Vendors
9/3/2026	55477	Mission Uniform Service	532.76	Vendors
9/3/2026	55478	Motion Industries, Inc.	345.25	Vendors
9/3/2026	DFT0001267	Nationwide Retirements Solutions	10,968.58	Payroll
9/3/2026	EFT0000336	Net Pay	84,344.49	Payroll
9/3/2026	55479	PACE Supply Corp	1,569.29	Vendors
9/3/2026	55480	San Benito County Water District	418,922.21	San Benito
9/3/2026	55482	San Benito Tire Pros & Automotive	25.00	Vendors
9/3/2026	55483	Toro Petroleum Corp.	63.75	Vendors
9/3/2026	EFT0000337	Total Tax	20,187.56	Payroll
9/3/2026	55484	U.S. Bank Corporate Payment Systems	4,563.08	Vendors
9/3/2026	55485	USA Blue Book	170.03	Payroll
9/4/2026	DFT0001268	Nationwide Retirements Solutions	1,112.00	Payroll
9/4/2026	55490	San Benito County-Assessor	22,983.00	Vendors
9/4/2026	DFT0001269	Sterling Administration Health	140.00	Payroll
9/8/2026	55492	Ace Hardware (Johnson Lumber Co.)	207.82	Vendors
9/8/2026	55493	Amazon Capital Services	101.46	Vendors
9/8/2026	55494	Brigantino Irrigation	208.86	Vendors
9/8/2026	55495	InfoSend	3,485.18	Vendors
9/8/2026	55496	Municipal Maintenance Equipment	5,615.63	Vendors
9/8/2026	DFT0001270	Principal	5,127.64	Vendors
9/8/2026	55497	Recology San Benito County	379.25	Vendors
9/8/2026	55498	Toro Petroleum Corp.	2,336.80	Vendors
9/8/2026	55499	U.S. Bank Corporate Payment Systems	1,455.88	Vendors
9/8/2026	55500	Wright Bros. Indust. Supply	265.46	Vendors
9/8/2026	55501	Wright Bros. Welding & Sheet Metal, Inc.	1,247.11	Vendors
9/9/2026	DFT0001271	iCloud	15,499.07	Vendors
9/9/2026	DFT0001272	Sterling Administration Health	99.00	Payroll
9/10/2026	55502	A-1 Services	504.00	Vendors
9/10/2026	55503	Amazon Capital Services	83.22	Vendors
9/10/2026	55504	Brenntag Pacific, Inc.	6,584.79	Vendors

Disbursement Reports FY 26-27

9/10/2026	55505	Bryan Mailey Electric, Inc	195.00	Vendors
9/10/2026	55521	City of Hollister-Finance Dept	499,547.46	Hollister
9/10/2026	55506	exceedio	6,318.81	Vendors
9/10/2026	55507	ICON Cloud Solutions, LLC	296.63	Vendors
9/10/2026	55508	Iconix Waterworks (US) Inc.	2,159.29	Vendors
9/10/2026	55509	Jesse Mack Company Inc.	2,884.88	Vendors
9/10/2026	55510	LEHR	1,297.18	Vendors
9/10/2026	55511	Manuel Chavez	108.16	Payroll
9/10/2026	55512	MBS Business Systems	816.41	Vendors
9/10/2026	55513	Mission Uniform Service	752.78	Vendors
9/10/2026	55514	Petty Cash	35.00	Vendors
9/10/2026	55515	Postal Graphics	97.26	Vendors
9/10/2026	55516	R&S Erection of Monterey Bay, Inc.	3,255.00	Vendors
9/10/2026	55517	Raftelis Financial Consultants, Inc.	1,220.00	Vendors
9/10/2026	55518	San Benito Tire Pros & Automotive	894.34	Vendors
9/10/2026	55519	Trans Union LLC	161.19	Vendors
9/10/2026	55520	Verizon Wireless	338.05	Vendors
9/11/2026	DFT0001274	Sterling Administration Health	355.75	Payroll
9/11/2026	DFT0001273	Sterling Administration Health	360.00	Payroll
9/11/2026	55522	YARELY & JORGE MORENO	68.66	Customer
9/14/2026	DFT0001275	Colonial Life	2,515.14	Payroll
9/14/2026	DFT0001277	Sterling Administration Health	148.00	Payroll
9/14/2026	DFT0001276	Sterling Administration Health	173.19	Payroll
9/15/2026	55523	Amazon Capital Services	698.80	Vendors
9/15/2026	55524	AT&T	380.51	Vendors
9/15/2026	55525	Calcon System, Inc.	1,570.00	Vendors
9/15/2026	55526	DiBuduo & DeFendis Insurance Brokers, LLC	1,626.00	Vendors
9/15/2026	55527	EBCO Pest Control	82.00	Vendors
9/15/2026	55528	Geotech Environmental Equipment, Inc.	2,807.98	Vendors
9/15/2026	55529	Iconix Waterworks (US) Inc.	276.91	Vendors
9/15/2026	55530	Mark Nicholson, Inc.	15,783.94	Vendors
9/15/2026	55531	Meter, Valve & Control	35,193.22	Vendors
9/15/2026	55532	Mission Uniform Service	570.97	Vendors
9/15/2026	55533	Wallace Group	74,031.48	Vendors
9/17/2026	DFT0001278	CalPERS - Health Insurance	37,252.81	Payroll
9/17/2026	DFT0001284	CalPERS - Retirement	23.08	Payroll
9/17/2026	DFT0001283	CalPERS - Retirement	350.00	Payroll
9/17/2026	DFT0001281	CalPERS - Retirement	7,876.11	Payroll
9/17/2026	DFT0001279	CalPERS - Retirement	12,031.94	Payroll
9/17/2026	DFT0001282	Nationwide Retirements Solutions	1,112.00	Payroll
9/17/2026	DFT0001280	Nationwide Retirements Solutions	10,968.58	Payroll
9/17/2026	EFT0000338	Net Pay	85,669.04	Payroll
9/17/2026	DFT0001288	P G & E	35,145.43	Vendors
9/17/2026	EFT0000339	Total Tax	20,736.01	Payroll
9/18/2026	55534	ACC Business	1,339.24	Vendors
9/18/2026	55535	Ace Hardware (Johnson Lumber Co.)	354.31	Vendors
9/18/2026	DFT0001285	ADP	2,528.74	Vendors
9/18/2026	55536	Amazon Capital Services	427.00	Vendors
9/18/2026	55537	Auto Tech Service Center, Inc.	150.00	Vendors
9/18/2026	55538	Brenntag Pacific, Inc.	12,588.59	Vendors
9/18/2026	55539	Brigantino Irrigation	235.46	Vendors
9/18/2026	55540	CWEA Membership- TCP	259.00	Vendors
9/18/2026	55541	DiBuduo & DeFendis Insurance Brokers, LLC	1,552.00	Vendors

Disbursement Reports FY 26-27

9/18/2026	55542	exceedio	130.00	Vendors
9/18/2026	55543	Hollister Paint Co.	28.72	Vendors
9/18/2026	55544	John Smith Road Landfill	1,800.00	Vendors
9/18/2026	55545	Motion Industries, Inc.	488.11	Vendors
9/18/2026	55546	PAPE Machinery	1,410.61	Vendors
9/18/2026	DFT0001286	Sterling Administration Health	151.00	Payroll
9/18/2026	55547	Toro Petroleum Corp.	1,798.44	Vendors
9/18/2026	55548	Tyler Technologies, Inc.	25,907.58	Vendors
9/18/2026	55549	Wallace Group	9,462.50	Vendors
9/23/2026	55552	ABHILASHA DAVE & MANROOP TURNA	7.09	Customer
9/23/2026	55551	GARRIN DOUGLAS	173.88	Customer
9/23/2026	55550	Katch Environmental, Inc.	1,318,643.25	Vendors
9/24/2026	55553	Ace Hardware (Johnson Lumber Co.)	75.98	Vendors
9/24/2026	55554	Brenntag Pacific, Inc.	1,557.70	Vendors
9/24/2026	55555	Bryan Mailey Electric, Inc	29,325.02	Vendors
9/24/2026	55556	Carlson's Fire Extinguisher Sales & Serv	1,591.45	Vendors
9/24/2026	55557	Christina Perez Architect	8,865.00	Vendors
9/24/2026	55558	CM Analytical, Inc.	8,456.25	Vendors
9/24/2026	55559	De Lay & Laredo	4,524.00	Vendors
9/24/2026	55560	ELC Consulting Inc.	22,946.84	Vendors
9/24/2026	55561	Enterprise Electrical Services	175.00	Vendors
9/24/2026	55562	exceedio	185.00	Vendors
9/24/2026	55563	First Trust Alarm Company	892.02	Vendors
9/24/2026	55564	Greenwood Chevrolet	94.07	Vendors
9/24/2026	55565	Hach Company	1,442.38	Vendors
9/24/2026	55566	Inductive Automation	5,948.40	Vendors
9/24/2026	55567	Mission Uniform Service	648.38	Vendors
9/24/2026	55568	Motion Industries, Inc.	4,395.29	Vendors
9/24/2026	55569	R&B Automation, Inc.	17,480.75	Vendors
9/24/2026	55570	Shape, Inc.	11,511.31	Vendors
9/24/2026	55571	Simplot Grower Solutions	1,582.00	Vendors
9/24/2026	55572	Transene Company Inc (Shape Products)	170.84	Vendors
9/24/2026	55573	USA Blue Book	4,606.80	Vendors
9/24/2026	55574	Verizon Wireless	668.66	Vendors
9/24/2026	55575	Wallace Group	98,322.24	Vendors
9/24/2026	55576	Waste Resource Recovery, Inc.	900.00	Vendors
9/24/2026	55577	Wright Bros. Welding & Sheet Metal, Inc.	1,379.02	Vendors
9/28/2026	DFT0001287	Sterling Administration Health	133.40	Payroll
			3,249,665.42	

S U M M A R Y:

Accounts Payable Paid to:

Vendors \$2,013,709.31

Payroll - Employee \$316,996.01

San Benito County \$418,922.21

City of Hollister for City Billing Collected, Net of Fees \$499,547.46

Customer Refunds & Returned Checks/ACH \$490.43

Debt & Finance \$0.00

Total Disbursements \$3,249,665.42

Staff Report

Agenda Item: **H – 3**

DATE: October 19, 2026 (October 27, 2026 Meeting)

TO: Board of Directors

FROM: Assistant 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.

In Ridgemark, the horizontal directional drilling (HDD) subcontractor completed installing pipes on Jose Ln. and along the fairway with approximately 1,400 ft of pipe in October; this section is on hold for connecting, testing, and tie-ins. As of the third week of October, on Harbern Way and north of Best Road, Katch has been connecting pipes and installing appurtenances in order to begin testing and tie-ins in November as anticipated. Meanwhile, Katch has been installing pipes from the Foxhill tank site to the Foxhill Cir connection. Crosno finished coating the new 275,000-gallon tank in the third week of October and will come back in late November to modify the existing 125,000-gallon Foxhill tank and the Stonegate tank. After the completion of the new SBCWD 18" agricultural water pipes, Sunnyslope's new 12" water pipes will be slip-lined in November. In the Stonegate development, Katch has started installing pipes from the Stonegate tank to the connection point and preparing for crossing the PG&E gas line to connect to the point left by the HDD subcontractor last month. On Quien Sabe Rd, Katch finished installing 1,300 ft of pipe and has been waiting for the Caltrans permit to cross Hwy 25. The new pipe in Bolado Rd and Southside Rd is on hold for tie-in. Katch anticipates repaving the entire project in late November.

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 November. 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.

Valves Replacement

Sunnyslope staff had a meeting with Hydra-Stop to finalize a training plan to ensure it aligns with the installation schedule. The training date is scheduled for the first week of November. Daleo, the excavation contractor, is working to submit the required bonds and insurance so they can begin work in November.

ADRoP

Sunnyslope staff, SBCWD, Kennedy Jenks (Construction Manager), HDR (Design Engineer), and Overaa (General Contractor) had an inspection tour with DDW in September. All parties have been working closely to fulfill DDW requirements and to complete the punch list. The construction of infrastructure is substantially completed. The aquifer storage and recovery (ASR) well sites are being developed and pipeline construction in San Felipe and Fallon are largely complete.

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 West Hills Water Treatment Plant (WHWTP) has been offline for start-up testing for a while, staff have been unable to conduct experimental studies for Well 7. In November, after WHWTP is back online, staff will schedule experimental studies. Engineering staff expects to submit the Compliance plan, Operation plan, and Permit Amendment to DDW in December.

Water Loss Audit

Engineering staff completed the Water Loss Audit Report and had it certified and validated by AquatraX Solutions. The Data Validity Score for FY25-26 is 75 with the Data Validity being Tier IV (71-90).

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

Santan Ranch Phase 8 warranty period ended in September. Engineering staff have been coordinating with the Finance department to finalize the remaining deposit amount and release their 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: October 23, 2026 (October 27, 2026 Meeting)

TO: Board of Directors

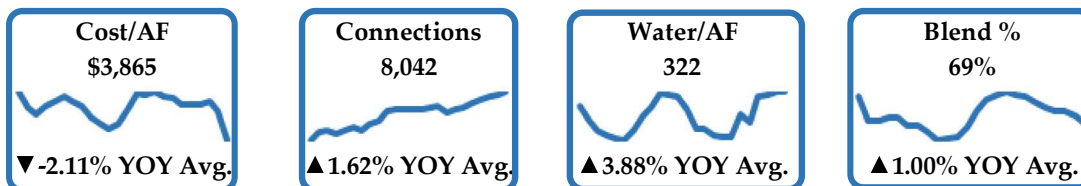
FROM: Assistant Finance Manager, Dana Sullivan
Finance Manager, Barry Kelly

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

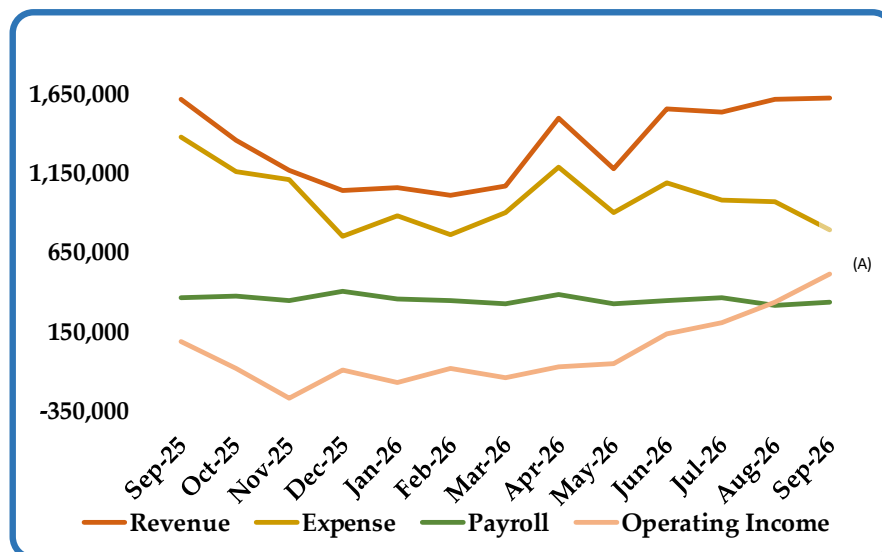
OVERVIEW

(September 2026)

12-Month Rolling Average Trend



Current Year Operations



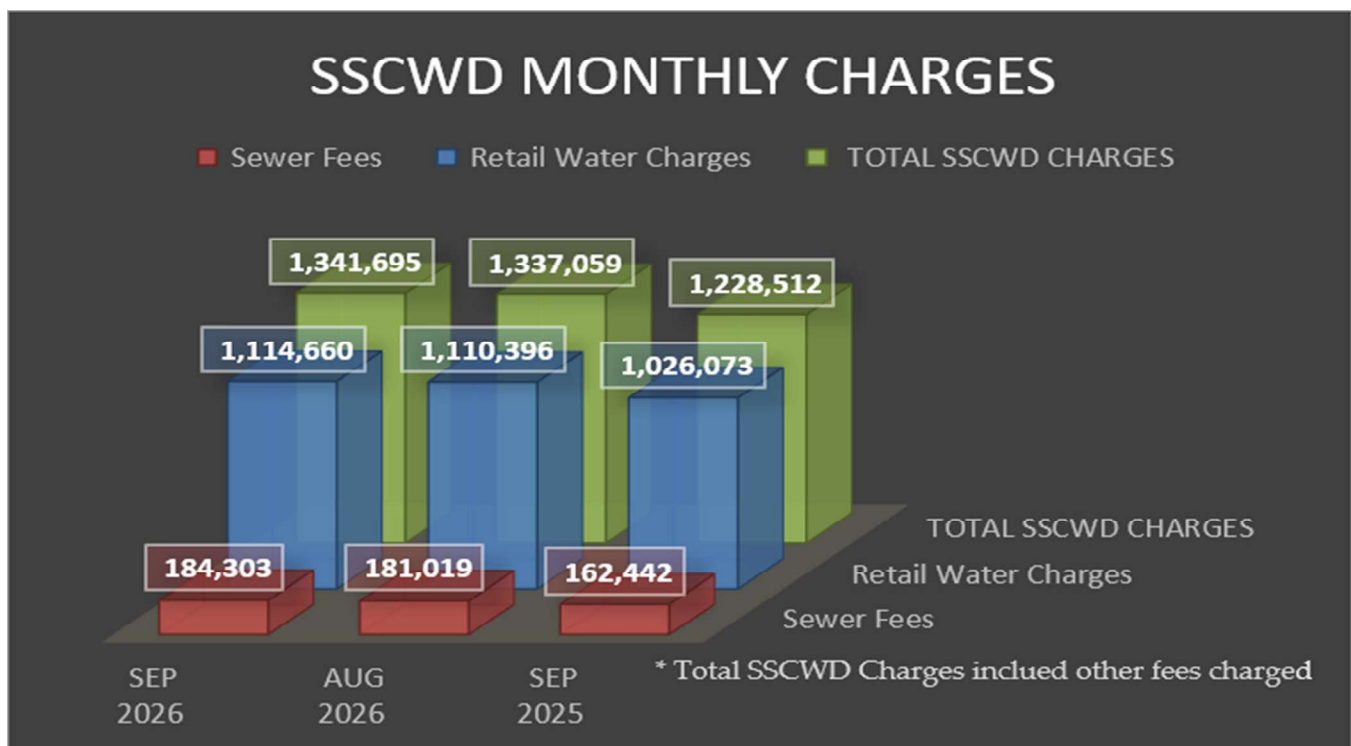
(A) Operating income continues to improve, supported by responsible spending and ongoing cost-saving efforts. September reflects a significant reduction in operating expenses, primarily due to West Hills being temporarily offline for the ADRoP Project, bringing operating income into a positive position.

OPERATIONS SUMMARY

(September 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 September 2026, the District had 5 new water connections. The District served 8,042 active customers, with 6,482 utilizing online services and electronic payments. Financially, year-to-date revenue for FY 2026-2027 stands at \$4m. Receivables from operations total \$1.9m, with a past due portion of 5.44%. As of month-end, O&M receivables total \$282k.

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. These savings 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 may increase as West Hills resumes operations. 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

(September 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 \$3.8k. Unit cost per acre-foot remained relatively stable on a YOY average basis. Despite ongoing inflationary pressures affecting utilities such as power, chemicals, and maintenance costs, staff are able to maintain nearly flat production costs. 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 69% surface water.

STATEMENT OF INCOME VS BUDGET

(September 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 \$1M, compared to a \$355k gain for the same period last fiscal year. During the past two months the District has not purchased CVP water 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

(September 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 \$22m earning interest at rates ranging from 1.1% to 4.5%. YTD income from these investments is \$112k. 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 should be excluded when evaluating the District's core operating performance.

ACCOUNTS RECEIVABLE

(September 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 September 2026, the District is carrying \$8m 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:

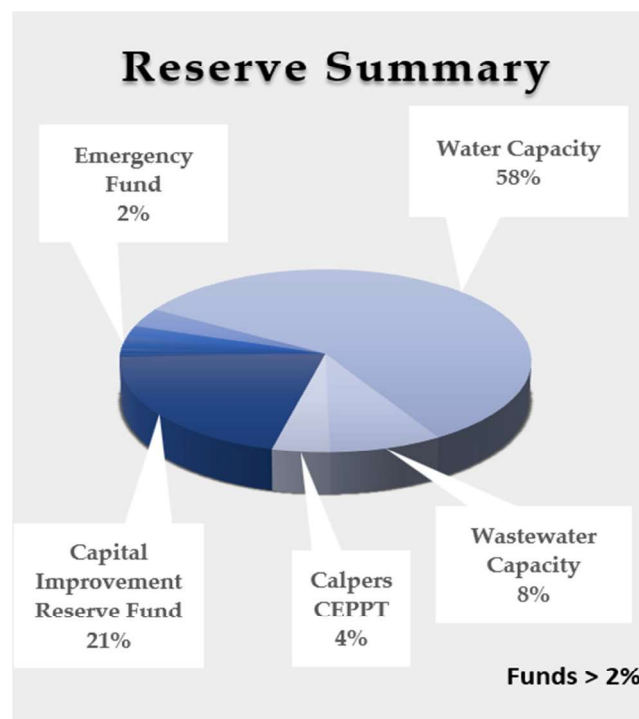
Best Roads Consolidation Project: As of September 2026, the District recorded approximately \$618k in receivables related to the Best Roads Consolidation Project. As the project concludes, the final payments will be reconciled with the District's share of the improvements which have been planned as capital improvement expenditures from capital development reserves.

The Small Water Systems Consolidation With Sunnyslope Project: As of September 2026, the Small Water Systems Consolidation Project reflects approximately \$7.4 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 does accept more than \$1.5M in direct benefit improvements. Although reimbursement processing delays have resulted in a significant outstanding balance, progress continues to be made. In early October, the District received a reimbursement payment of approximately \$592k. A payment of \$600k is pending receipt 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. District Finance and Management staff continue to work closely with County representatives to expedite outstanding reimbursements and improve payment turnaround times. These ongoing efforts are intended to reduce the financial burden of carrying substantial project-related receivables from month to month and ensure timely recovery of District funds.

RESERVES

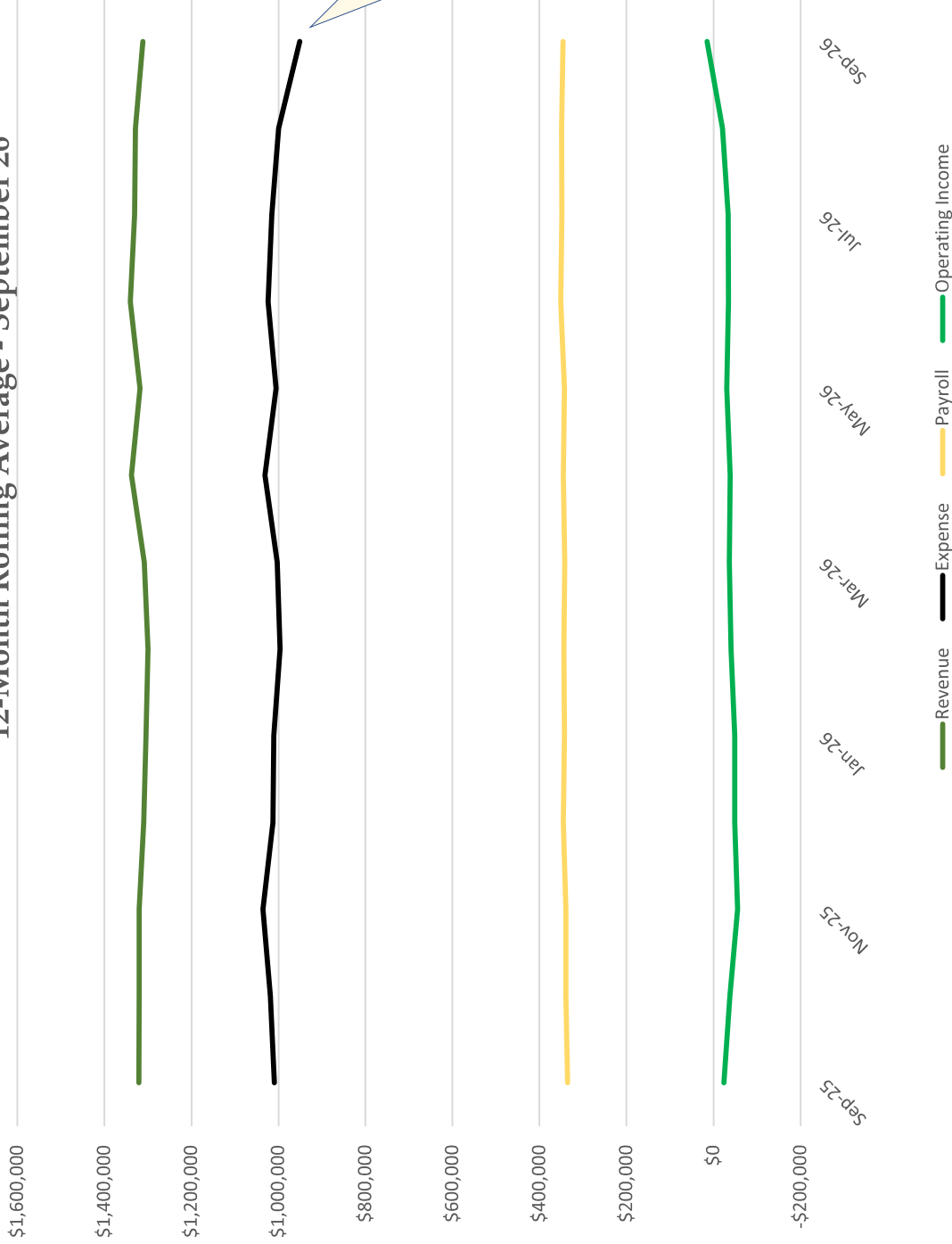
(September 2026)

There are three major types of reserve funds: Legally Restricted Reserves, Board Designated Reserves, and Unrestricted Reserves. Legally Restricted Reserves have restrictions imposed by an outside source, 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 \$26.8m, 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.

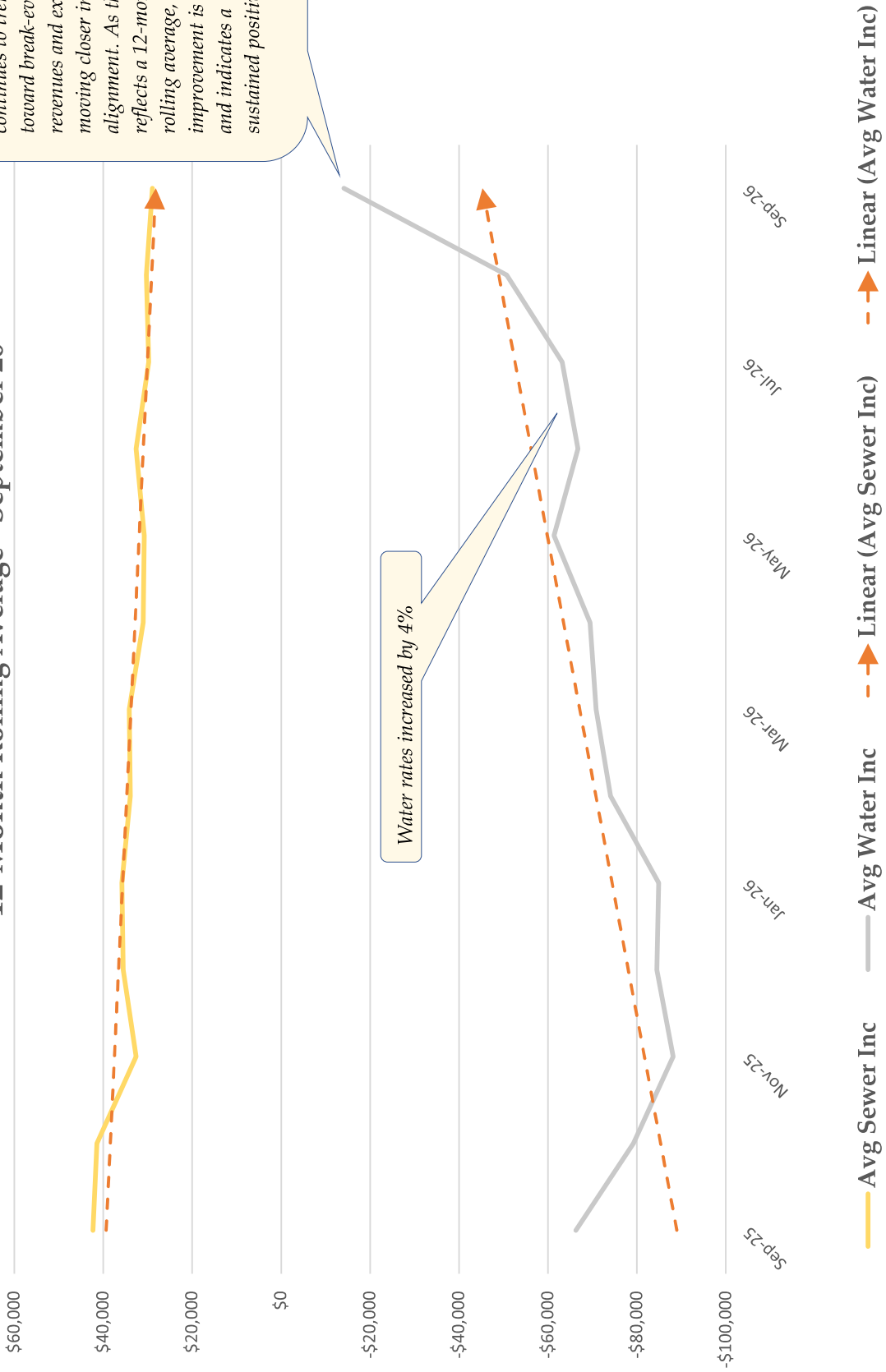


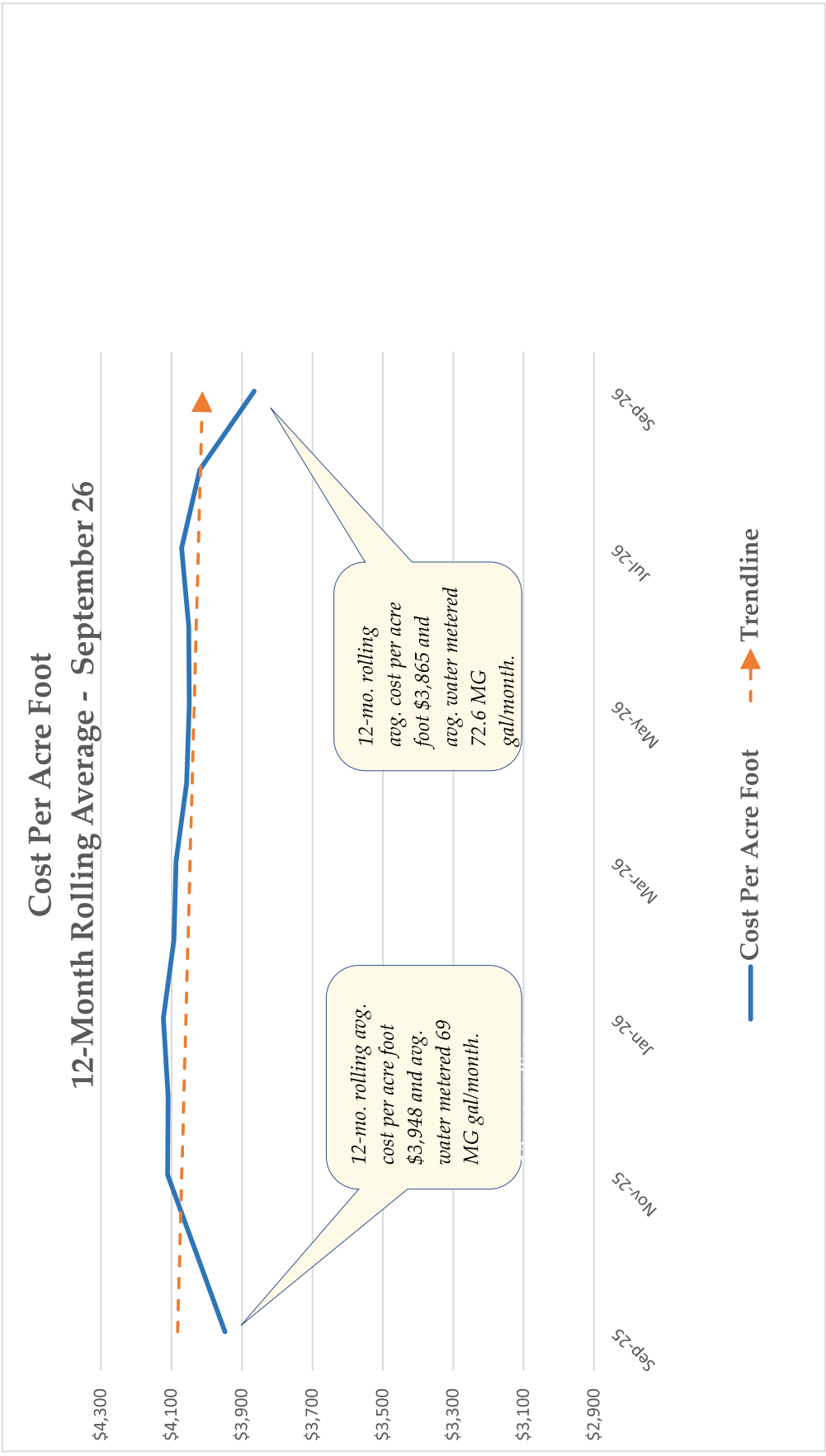
Statement of Operating Income

12-Month Rolling Average - September 26

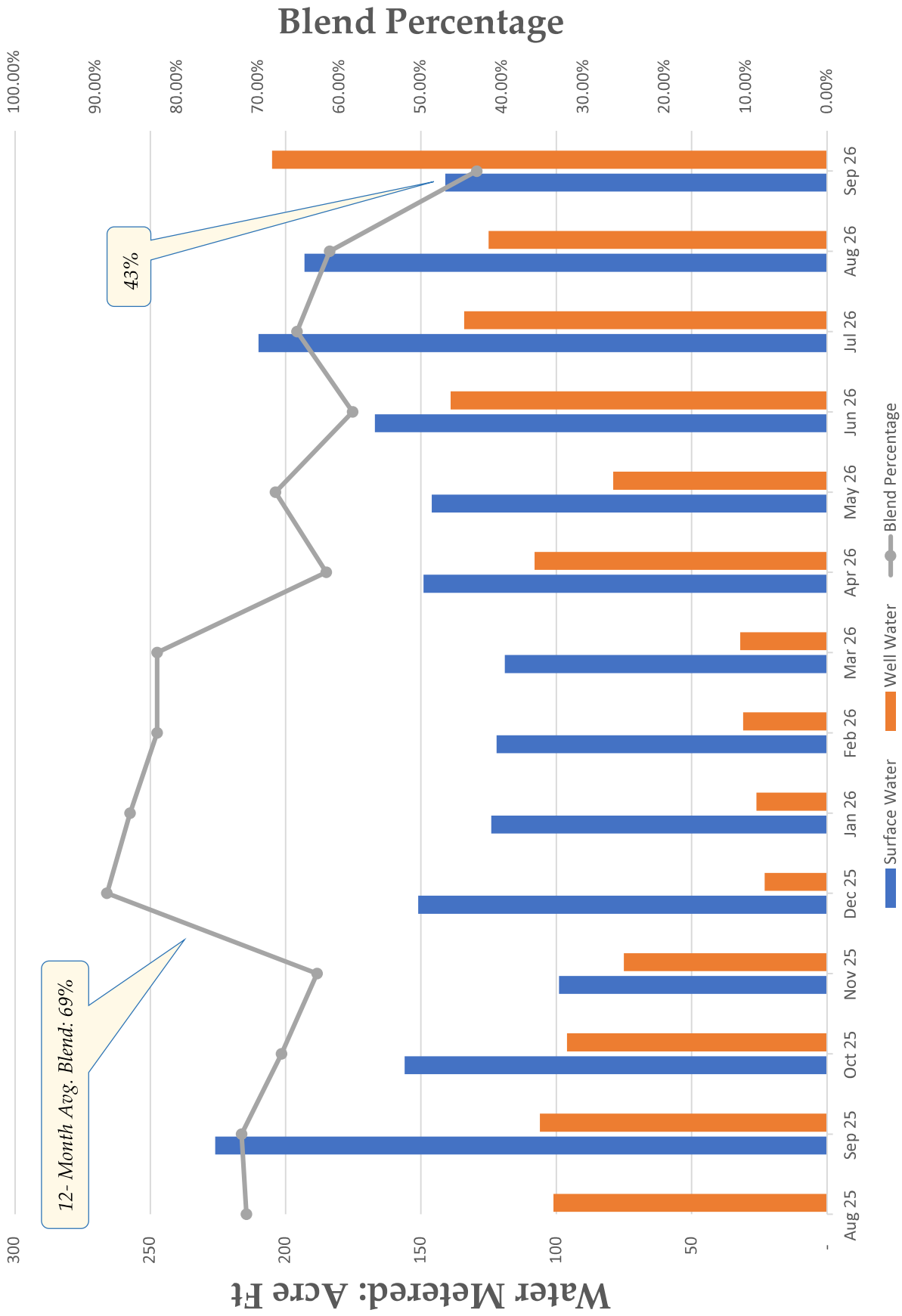


Operating Income by Segment 12-Month Rolling Average - September 26





12-Month Blend Percentage Trend



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
NO. WATER CAPACITY FEE RECD	-	-	12	-	-	-	-	-	-	-	-
NO. WW CAPACITY FEE RECD	-	-	-	-	-	-	-	-	-	-	-
NO. WATER ACCOUNTS	8,003	8,019	8,042	-	-	-	-	-	-	-	-
NO. SSCWD SEWER ACCTS	1,489	1,495	1,500	-	-	-	-	-	-	-	-
NO. COH SEWER ACCTS	5,348	5,556	5,577	-	-	-	-	-	-	-	-
Total WaterSmart / Invoice Cloud	6,510	6,438	6,482	-	-	-	-	-	-	-	-
NO. E-BILL Invoice Cloud (Paperless)	3,882	3,888	3,883	-	-	-	-	-	-	-	-
MONTHLY CHARGES											
Retail Water Charges	\$ 1,074,914.76	\$ 1,110,396.04	\$ 1,114,660.04	-	-	-	-	-	-	-	-
Sewer Fees	131,862.94	181,019.10	184,303.26	-	-	-	-	-	-	-	-
Installation Fees	450.00	8,520.00	4,955.00	-	-	-	-	-	-	-	-
Late Fees	9,831.84	10,104.15	12,162.39	-	-	-	-	-	-	-	-
Admin. Collection Fees, net	(405.99)	1,878.36	752.18	-	-	-	-	-	-	-	-
COH Billing Fees	17,259.00	17,304.00	17,301.00	-	-	-	-	-	-	-	-
Other Misc. Fees	7,879.60	7,837.73	7,561.20	-	-	-	-	-	-	-	-
TOTAL SSCWD CHARGES	\$ 1,241,792.15	\$ 1,337,059.38	\$ 1,341,695.07	-	-	-	-	-	-	-	-
CITY OF HOLLISTER CHARGES											
COH Sewer Fees	507,150.18	508,601.46	510,888.13	-	-	-	-	-	-	-	-
COH Street Sweeping	12,151.68	12,157.15	12,156.00	-	-	-	-	-	-	-	-
COH Senior Discount	(1,788.90)	(1,783.06)	(1,619.78)	-	-	-	-	-	-	-	-
Total COH Charges	517,512.96	518,975.55	521,424.35	-	-	-	-	-	-	-	-
Late Fees	5,322.86	4,403.96	5,162.40	-	-	-	-	-	-	-	-
TOTAL COH CHARGES	\$ 522,835.82	\$ 523,379.51	\$ 526,586.75	-	-	-	-	-	-	-	-
ACCOUNTS RECEIVABLE - Aged											
A/R for Sunnyslope Water **	1,274,048.47	1,355,906.46	1,394,834.61	-	-	-	-	-	-	-	-
A/R for City of Hollister **	559,878.10	563,719.65	572,854.10	-	-	-	-	-	-	-	-
Unapplied Payments	(70,308.38)	(62,708.75)	(62,508.49)	-	-	-	-	-	-	-	-
Outstanding Bills Owed	\$ 1,763,618.19	\$ 1,856,917.36	\$ 1,905,180.22	-	-	-	-	-	-	-	-
Past Due	\$ 82,677.14	\$ 83,349.87	\$ 103,652.34	-	-	-	-	-	-	-	-
% Past Due	4.69%	4.49%	5.44%	-	-	-	-	-	-	-	-
SBCWD O&M Owed	\$309,642.61	\$321,910.25	\$282,410.02	-	-	-	-	-	-	-	-
WATER METERED											
Cubic Feet	13,436,300	13,933,400	14,048,900	-	-	-	-	-	-	-	-
Total SSCWD Gallons	100,503,524	104,221,832	105,085,772	-	-	-	-	-	-	-	-
WATER SOURCE											
Well #2 (Southside Road)	5,365,000	7,916,000	19,704,000	-	-	-	-	-	-	-	-
Well #5 (Ray Cir/Enterprise)	19,324,000	21,590,000	14,429,000	-	-	-	-	-	-	-	-
Well #7 (Enterprise Rd)	4,850,914	7,602,337	12,209,043	-	-	-	-	-	-	-	-
Well #8 (Ridgemark)	2,249,135	3,125,742	3,856,040	-	-	-	-	-	-	-	-
Well #11 (Southside Road)	23,465,000	16,353,000	27,599,000	-	-	-	-	-	-	-	-
Net Well Interfere (Supplied to COH)	(11,604,500)	(8,876,900)	(10,954,000)	-	-	-	-	-	-	-	-
TOTAL from Wells	43,649,549	47,713,179	66,843,083	-	-	-	-	-	-	-	-
Lessalt W.T.P. I (High Zone)	27,468,000	22,401,000	26,761,000	-	-	-	-	-	-	-	-
Lessalt W.T.P. I (Middle Zone)	21,548,000	19,670,000	23,942,000	-	-	-	-	-	-	-	-
West Hills W.T.P. (@ Well #2)	16,871,000	12,058,000	-	-	-	-	-	-	-	-	-
West Hills W.T.P. (@ Well #11)	16,058,000	21,258,000	-	-	-	-	-	-	-	-	-
West Hills W.T.P. (@ COH #2)	12,258,000	8,759,000	-	-	-	-	-	-	-	-	-
West Hills W.T.P. (@ COH #4)	12,440,000	9,028,000	-	-	-	-	-	-	-	-	-
West Hills W.T.P. (@ COH #5)	16,851,000	11,751,000	-	-	-	-	-	-	-	-	-
TOTAL Surface Water (Plant Production)	123,494,000	104,925,000	50,703,000	-	-	-	-	-	-	-	-
Plant Production Used by Hollister											
	55,006,695	41,892,390	4,736,721	-	-	-	-	-	-	-	-
SSCWD % of Plant Production	55.46%	60.07%	90.66%	0	0	0	0	0	0	0	0
Estimated Water Gain(Loss)	(11,633,330)	(6,523,957)	(7,723,590)	-	-	-	-	-	-	-	-
Percent Difference	-6.96%	-4.27%	-6.57%	-	-	-	-	-	-	-	-
Water Consumption Per Customer	12558	12997	13067	-	-	-	-	-	-	-	-
Blend - % Surface	65.25%	61.24%	43.13%	-	-	-	-	-	-	-	-
Cost of Water Produced (Per Acre Foot)	2,895	2,506	2,055	3,969	5,615	5,189	6,349	5,918	6,211	4,330	4,163
Prior YTD Cost	3,312	3,535	3,297	-	-	-	-	-	-	-	-

Sunnyslope County Water District
2026 / 2027 OPERATION SUMMARY (This Year)

ITEMS	JUNE 2027	YTD month	TOTAL / 12 month AVG
NO. WATER CAPACITY FEE RECD			17
NO. WW CAPACITY FEE RECD			-
NO. WATER ACCOUNTS			
NO. SSCWD SEWER ACCTS			
NO. COH SEWER ACCTS			
Total WaterSmart / Invoice Cloud	-		
NO. E-BILL Invoice Cloud (Paperless)			
MONTHLY CHARGES			
Retail Water Charges		\$	3,299,970.84
Sewer Fees		\$	497,185.30
Installation Fees		\$	13,925.00
Late Fees		\$	32,098.38
Admin. Collection Fees, net		\$	2,224.55
COH Billing Fees		\$	51,864.00
Other Misc. Fees		\$	23,278.53
TOTAL SSCWD CHARGES	\$	\$	3,920,546.60
CITY OF HOLLISTER CHARGES			
COH Sewer Fees		\$	1,526,639.77
COH Street Sweeping		\$	36,464.83
COH Senior Discount		\$	(5,191.74)
Total COH Charges	-	\$	1,557,912.86
Late Fees **		\$	14,889.22
TOTAL COH CHARGES	\$	\$	1,572,802.08
ACCOUNTS RECEIVABLE - Aged			
A/R for Sunnyslope Water **			
A/R for City of Hollister **			
Unapplied Payments			
Outstanding Bills Owed			
% Past Due			
SBCWD O&M Owed	N/A		
WATER METERED			
Cubic Feet	-		41,418,600
Total SSCWD Gallons	-		309,811,128
WATER SOURCE			
Well #2 (Southside Road)	-		32,985,000
Well #5 (Ray Cir/Enterprise)	-		55,343,000
Well #7 (Enterprise Rd)	-		24,662,294
Well #8 (Ridgemark)	-		9,233,917
Well #11 (Southside Road)	-		67,417,000
Net Well Interfite (Supplied to COH)	-		(31,435,400)
TOTAL from Wells	-		158,205,811
Lessalt W.T.P. I (High Zone)	-		76,630,000
Lessalt W.T.P. I (Middle Zone)	-		65,160,000
West Hills W.T.P. (@ Well #2)	-		28,929,000
West Hills W.T.P. (@ Well #11)	-		37,316,000
West Hills W.T.P. (@ COH #2)	-		21,017,000
West Hills W.T.P. (@ COH #4)	-		21,468,000
West Hills W.T.P. (@ COH #5)	-		28,602,000
TOTAL Surface Water (Plant Production)	-		279,122,000
Plant Production Used by Hollister			101,635,806
SSCWD % of Plant Production	0		63.59%
Estimated Water Gain(Loss)			(25,880,877)
Percent Difference			-5.92%
Water Consumption Per Customer			12874
Blend - % Surface			69.27%
Cost of Water Produced (Per Acre Foot)			2,479
Prior YTD Cost	3,031		4,102

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

FY27 Metered Water Per Customer

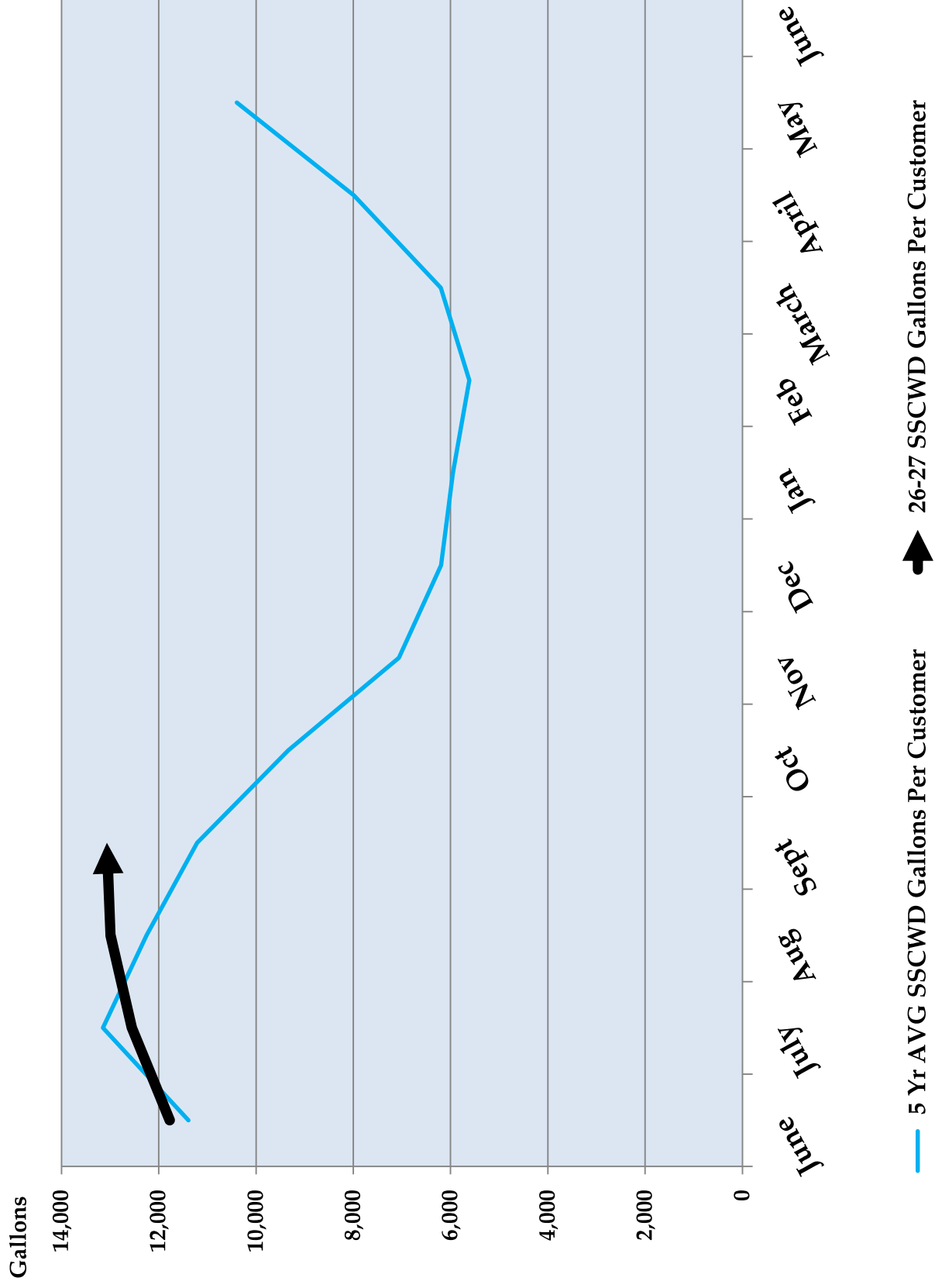
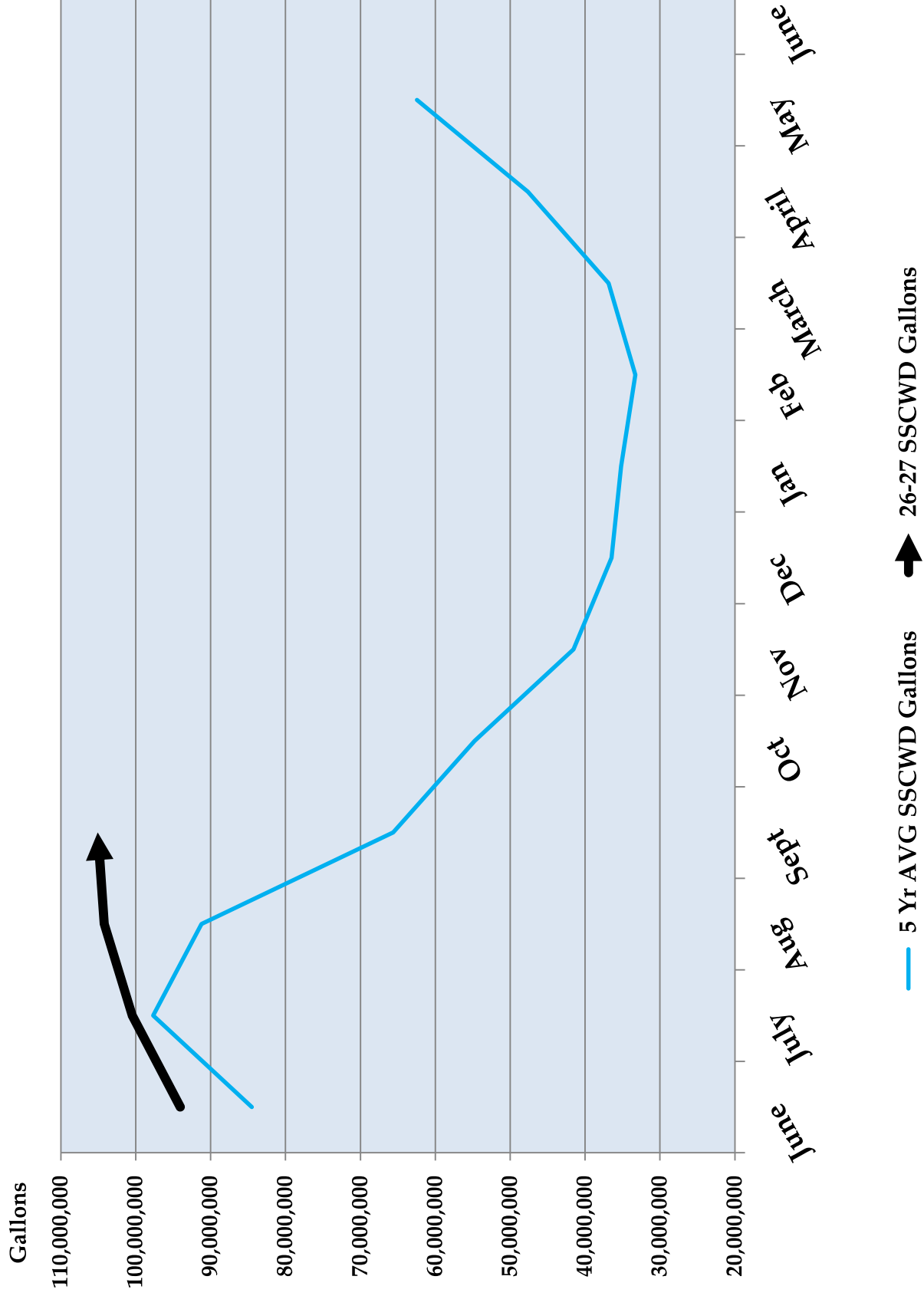


Chart Includes: Only Water Metered to SSCWD Customers,
Chart Does Not Include: COH Interties Wholesale Water Flow

FY27 Metered Water



Sunnyslope County Water District

STATEMENT OF INCOME

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

UN-AUDITED 10/19/2026

SSCWD Regularly Scheduled Board Meeting
October 27, 2026 - page 26

*** WATER ***	Aug-26	Sep-26	Variance Over / (Under) Prior Month	YEAR- TO-DATE	PRIOR YEAR- TO-DATE	FY 26/27 BUDGET
OPERATING REVENUES						
Water Sales	1,110,396	1,114,660	4,264	3,299,971	3,011,746	10,385,000
Contracted Services	321,910	282,410	(39,500)	913,963	1,163,282	3,856,000
Installation Fees	8,520	4,955	(3,565)	13,475	7,290	115,000
Late Fees	9,176	10,930	1,754	28,934	22,092	
Other Revenue	20,937	19,635	(1,303)	61,041	79,528	294,800
TOTAL OPERATING REVENUES	1,470,939	1,432,589	(38,350)	4,317,383	4,283,937	14,650,800
OPERATING EXPENSES						
Salaries and Benefits	(263,394)	(268,053)	(4,658)	(835,309)	(807,259)	(3,451,000)
Operating Expenses	(860,158)	(677,090)	183,068	(2,435,793)	(3,121,422)	(11,176,900)
TOTAL OPERATING EXPENSES	(1,123,552)	(945,143)	178,410	(3,271,101)	(3,928,681)	(14,627,900)
NET OPERATING INCOME	347,387	487,447	140,060	1,046,282	355,256	22,900
NON OPERATING INCOME & (EXPENSES)						
Capacity Fees	1,090,050	60,800	(1,029,250)	1,150,850	253,800	
Donated Asset	-	-	0	-	-	-
Miscellaneous Income	-	-	0	-	-	-
Adjust LAIF Investment to Fair Value			-	-	-	
Interest Income	25,030	38,043	13,013	91,558	97,016	579,000
Allocated from G & A (Interest & Sale of Assets)	4,370	6,841	2,471	132,601	40,453	175,300
TOTAL NON OPERATING INCOME & (EXPENSES)	1,119,450	105,684	(1,013,766)	1,375,009	391,269	754,300
NET WATER INCOME (LOSS)	\$ 1,466,837	\$ 593,131	(873,706)	\$ 2,421,291	\$ 746,525	\$ 777,200
NET WATER INCOME (LOSS) Adjusted for Non Budgeted Items	\$ 347,387	\$ 487,447	140,060	\$ 1,046,282	\$ 355,256	\$ 22,900

Sunnyslope County Water District
STATEMENT OF INCOME
FOR THE FISCAL YEAR ENDING JUNE 30, 2026 (This Year)
UN-AUDITED 10/19/2026

SSCWD Regularly Scheduled Board Meeting
October 27, 2026 - page 27

*** WASTEWATER ***	Aug-26	Sep-26	Variance Over / (Under) Prior Month	YEAR- TO-DATE	PRIOR YEAR-TO- DATE	FY 25/26 BUDGET
OPERATING REVENUES						
Sewer Sales	181,019	184,303	3,284	497,185	488,054	2,035,000
Contracted Services	-	-	0	-	316,021	-
Installation Fees	-	-	0	450	-	-
Late Fees	928	1,233	304	3,165	2,630	94,200
Other Revenue	6,084	5,980	(104)	16,326	12,562	-
TOTAL OPERATING REVENUES	188,031	191,516	3,484	517,126	819,267	2,129,200
OPERATING EXPENSES						
Salaries and Benefits	(51,772)	(57,867)	(6,094)	(162,637)	(252,324)	(899,100)
Operating Expenses	(104,018)	(112,890)	(8,872)	(288,964)	(468,667)	(1,168,100)
TOTAL OPERATING EXPENSES	(155,791)	(170,757)	(14,966)	(451,601)	(720,992)	(2,067,200)
NET OPERATING INCOME	32,241	20,759	(11,482)	65,525	98,275	62,000
NON OPERATING INCOME & (EXPENSES)						
Capacity Fees	-	-	0	-	-	-
Donated Asset- Electric Vans Grant	-	-	0	-	-	-
Miscellaneous Income	-	-	0	-	-	-
Adjust LAIF Investment to Fair Value	-	-	0	-	-	-
Interest Income	3,814	5,426	1,613	13,425	16,883	120,800
Allocated from G & A (Interest & Sale of Assets)	1,791	2,810	1,019	39,326	(13,888)	5,000
Shenkman Litigation Expense (Districting)	-	-	0	-	-	-
TOTAL NON OPERATING INCOME & (EXPENSES)	5,604	8,236	2,632	52,751	2,996	125,800
NET WASTEWATER INCOME (LOSS)	37,845	28,995	(8,850)	118,276	101,271	187,800
NET WASTEWATER INCOME (LOSS)	\$ 32,241	\$ 20,759	(8,850)	\$ 65,525	\$ 98,275	\$ 62,000
<i>Adjusted for Non Budgeted Items</i>						
*** WATER & WASTEWATER ***						
*** COMBINED INCOME (LOSS) WATER & WASTEWATER***	1,504,682	622,126	(882,556)	2,539,568	847,796	965,000
*** COMBINED INCOME (LOSS) WATER & WASTEWATER	\$ 379,627	\$ 508,206	\$ 128,579	\$ 1,111,807	\$ 453,532	\$ 84,900
<i>Adjusted for Non - Budgeted Items</i>						

Sunnyslope County Water District

Investment Summary
2026 / 2027 (This Year)

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
<u>Heritage Bank of Commerce</u>														
CHECKING ACCOUNT	0	3,553,320	4,196,817	2,188,229										2,551,936
Operating - General Fund														
CHECKING SUBTOTAL		3,553,320	4,196,817	2,188,229	0	0	0	0	0	0	0	0	0	2,551,936
MONEY MARKET ACCT (MMA)	0.40%	92,214	92,277	92,277										92,182
Invested - General Fund														
MMA SUBTOTAL		92,214	92,277	92,277	0	0	0	0	0	0	0	0	0	92,182
<u>L.A.I.F.</u>														
<u>(Local Agency Investment Fund)</u>	As of: Dec 2025													
General Fund	4.20%	-4,011,546	-4,011,546	-4,011,546										-1,011,546
Water Connect. Fee	4.20%	0	0	0										0
Sewer Connect. Fee	4.20%	0	0	0										0
SRF Loan Reserve	4.20%	910,188	910,188	910,188										904,572
Board Designated Reserves	4.20%	5,650,241	5,650,241	5,650,875										5,650,241
L.A.I.F. SUBTOTAL		2,548,883	2,548,883	2,549,517	0	0	0	0	0	0	0	0	0	5,543,267
<u>CEPPI</u>														
<u>(CA Employee Pension Plan Trust)</u>														
Employee Pension Reserve	0	1,131,744	1,131,744	1,131,744										1,131,744
CEPPT SUBTOTAL		1,131,744	1,131,744	1,131,744	0	0	0	0	0	0	0	0	0	1,131,744
<u>MBS Securities</u>														
<u>(CD Brokerage - Water Capacity Funds)</u>														
Water Connect. Fee	4.00%	14,527,048	15,527,469	15,341,580										14,613,050
Sewer Connect. Fee	4.00%	2,213,309	2,214,695	2,193,589										2,211,384
Board Designated Reserves	4.00%	1,533,870	1,371,340	1,394,835										1,496,009
General Fund	4.00%	140,836	-686,914	-679,000										78,603
MBS SUBTOTAL		18,415,063	18,426,590	18,251,004	0	0	0	0	0	0	0	0	0	18,399,046
GRAND TOTAL		25,741,224	26,396,311	24,212,771	0	0	0	0	0	0	0	0	0	27,718,174
YTD Total														
* TOTAL INTEREST RECORDED	111,690	34,819	31,728	45,144										919,110

Sunnyslope County Water District

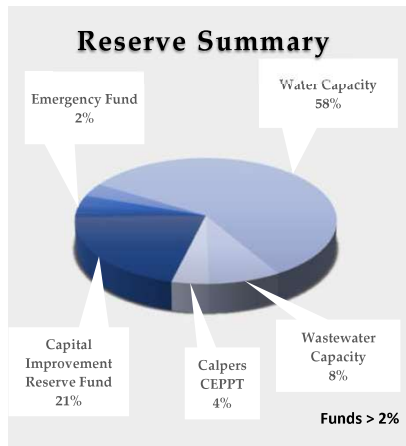
Reserve Summary As of September 30, 2026 (Policy #8600)

	9/30/2026	Increase	Decrease	6/30/2026	6/30/2025	Change	Board Approval
1 Capital Improvement Reserve Fund	\$ 5,511,665	\$ (10,801)		\$ 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	171,003	36,273	200,048	334,778	284,323	50,455	Jun-26
6 Office and Misc. Equipment Replacement Fund	488,042	73,402		414,639	383,457	31,182	Jun-26
Board Designated Reserves	7,045,711	98,874	200,048	7,146,884	6,900,666	246,219	
7 CSWRCB Loan	910,188	-		910,188	869,673	40,516	
8 Water Capacity	15,341,580	1,024,698	296,168	14,613,050	14,153,966	459,083	
9 Wastewater Capacity	2,193,589	(17,795)	-	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	19,577,102	1,006,904	296,168	18,866,366	18,544,492	380,417	
TOTAL	\$ 26,622,812	\$ 1,105,778	\$ 496,216	\$ 26,013,250	\$ 25,445,158	\$ 626,635	
Unreserved Cash	-\$2,410,041						
Percentage of Total Capital Assets	42.88%						

Detailed Transactions:

Depr. Expense	\$ 109,674	
Interest	\$ 104,984	
Debt Amortization		296,168
Water Capacity Fees	1,150,850	
Sewer Capacity Fees	-	
Fixed asset Additions	-	200,048
FMV YTD	(259,731)	
Transfers		-
Fair Market Value & Misc Adj		-
	\$ 1,105,778	\$ 496,216
	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 & Assoc.	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	6,481,186
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	
10/6/2026	Insertion Valves- Excavation & Restoration	Daleo Inc.	95,000	
Complete				



Staff Report

Agenda Item: **H-5**

DATE: October 15, 2026 (October 27, 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 September 10, 2025. This ensures continued compliance with state and federal regulatory requirements.

2. Water Production Summary – September 2026

During September 2026, the Westhills Water Treatment Plant remained offline as the expansion project continued toward completion and final commissioning. As a result, no water was produced at Westhills during the reporting period.

The Lessalt Water Treatment Plant continued supplying water to meet system demands, producing 50.62 million gallons, equivalent to approximately 155.347 acre-feet.

As of September 30, 2026, the District's remaining water allocation balance was 2,258.74 acre-feet out of the 4,200 acre-feet allocated for the 2026–2027 water production year.

3. Water Valve Exercise and Hydrant Flushing Programs

During September, Sunnyslope County Water District (SSCWD) staff exercised 34 water valves and flushed 41 fire hydrants as part of the District's ongoing preventative maintenance program. Since July 2026, staff have continued exercising valves and flushing hydrants to help maintain water quality, reduce stagnant water within the distribution system, and ensure valves remain operational and accessible during emergencies.

This ongoing program advances the District's preventative maintenance schedule and promotes the reliability of the water distribution system. It also ensures that existing infrastructure and newly integrated assets from Gavilan College, Cielo Vista, Santana Ranch, and Best Road Water

Mutual systems are maintained consistently and proactively, supporting reliable water service and fire protection throughout the District.

4. Westhills Plant Expansion

The Westhills Plant Expansion project is nearing completion. Contractors have encountered several issues with the variable frequency drive (VFD) for the scraper and communication systems at the raw water pump station. Additional contractors have been brought on-site to troubleshoot the issues, and equipment has been replaced with some success.

The new treatment train is currently undergoing the required 72-hour operational test, with minimal disruption to ongoing plant operations. Once testing is successfully completed, staff will collect bacteriological samples and await the necessary approval before returning the treatment train to service and supplying water to the distribution system. These final steps are essential to verifying system performance and ensuring water quality and regulatory compliance before the new equipment is placed into service.

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 work orders, and schedule preventative maintenance activities. During this reporting period, SSCWD staff completed 201 maintenance work orders across both facilities. This ongoing effort reflects the District's commitment to maintaining critical treatment equipment, reducing the risk of unexpected equipment failures, and ensuring reliable and efficient water treatment operations.

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

Water (8) - Update 10/15/2026

1. Replaced leaking hydrant riser at 795 Foxhill Circle. A small leak was discovered at the hydrant riser, causing water to pool around the hydrant. Aging infrastructure is subject to rust and deterioration over time, which can lead to occasional failures requiring repair. Staff promptly isolated the hydrant, replaced the leaking riser, and returned the hydrant to service. This repair eliminated water loss and ensured the hydrant remained operational for fire protection.
2. Repaired service line leak at 1045 Lanini Drive.
3. Repaired service line leak at 1205 Meadow Way Circle. Tree roots can grow toward underground water service lines, occasionally causing damage that results in leaks. Staff excavated the affected area, cleared the interfering roots, and installed a new service line. This

repair eliminated the leak, prevented further water loss, and restored reliable water service to the property.

4. Staff inspected electrical enclosures at various well and lift station locations and sealed areas where moisture, dust, and other contaminants could enter. This preventative maintenance helps protect sensitive electrical components, reduces the risk of corrosion and equipment failure, and improves the long-term reliability of these critical facilities.
5. Maggiora Brothers Drilling Inc. removed the Well #7 pumping equipment following a motor failure. The motor is still under warranty and will be evaluated for repair or replacement. Restoring the well to service is important for maintaining water supply reliability and operational flexibility within the distribution system.
6. Replaced broken curb stop at 291 Dry Creek. The curb stop is vital to proper isolation on Sunnyslope Water side of water delivery.
7. Staff attended plant tour and training at Monterey One Wastewater Facility. This training provided wastewater operations personnel with an overview of analytical instrumentation and its role in process monitoring, maintenance, troubleshooting, and operational decision-making. Staff gain a practical understanding of how instruments are applied throughout the treatment process, best practices for preventative maintenance and troubleshooting, and how process data can be used to optimize plant performance. Staff were also provided with a tour of Monterey One Water's Regional Treatment Plant, highlighting real-world applications of the instrumentation discussed.
8. Cleared weeds at district facilities. Staff cleared weeds and overgrown vegetation at various District facilities as part of routine grounds maintenance. This work helps reduce fire hazards, maintain safe access to equipment and infrastructure, minimize pest activity, and keep District properties clean and well-maintained.



Project Location	: 795 Foxhill Circle
Project	: Leaking Fire Hydrant Riser
Department	: Water Department
Description	: Replaced fire hydrant riser and valve. Failed from age and heavy use.

LESSALT Water Treatment Plant (13) – Updated 10/15/2026.

1. Staff replaced the dampener on Permanganate Pump #1 due to normal wear and deterioration associated with exposure to harsh treatment chemicals. These operating conditions require periodic replacement of consumable components to maintain pump efficiency and reliability. This repair helps ensure consistent chemical dosing, minimizes equipment downtime, and supports effective water treatment operations.
2. Staff replaced the liquid junction on the chlorine dose analyzer as part of routine instrumentation maintenance. Over time, these components can become fouled or deteriorate, affecting measurement accuracy and analyzer performance. This maintenance helps ensure reliable chlorine monitoring, supports proper chemical dosing, and maintains effective disinfection throughout the treatment process.
3. Cleared weeds around facility. Staff cleared weeds and overgrown vegetation around the facility as part of routine grounds maintenance. This work helps reduce fire hazards, prevent pest activity, maintain safe access to equipment and infrastructure, and keep the facility clean and well-maintained.
4. Staff performed Clean-in-Place (CIP) procedures on all three CMF units as part of routine preventative maintenance. Staff continuously monitor pressure decay trends and initiate cleaning when reading approach established operating limits. These cleanings remove accumulated foulants and calcium deposits, helping restore membrane performance, maintain treatment efficiency, and extend the service life of the filtration equipment.
5. Staff replaced the pressure relief valve on Permanganate Pump #1 to maintain proper pressure regulation and protect the chemical feed system from excessive pressure.
6. Staff conducted sonic testing on CMF Unit #3 to evaluate membrane integrity and identify potential issues affecting filtration performance. Based on the testing, three membrane modules were isolated. This work helps maintain filtration integrity, protect treated water quality, and ensure continued compliance with treatment standards.
7. Staff performed routine maintenance on chlorine analyzers to ensure accurate and reliable chlorine residual monitoring. Regular servicing helps prevent inaccurate readings, supports proper chemical dosing, and ensures effective disinfection throughout the treatment process while maintaining regulatory compliance.
8. Staff flushed the Granular Roughing Filter (GRF) and Granular Activated Carbon (GAC) transducers to remove accumulated sediment and debris that can interfere with accurate pressure readings.
9. Staff cleaned the exterior surfaces of the Granular Roughing Filters (GRFs) and associated air relief valves to remove accumulated dirt, debris, and buildup.

10. Staff removed accumulated sediment, debris, and vegetation from storm drain boxes throughout the facility to maintain proper drainage. This preventative maintenance helps prevent blockages, reduce the risk of localized flooding during rain events, and protect District infrastructure from potential water damage.
11. Staff performed routine lubrication of the High Zone and Mid Zone pumps as part of scheduled preventative maintenance. Proper lubrication reduces friction and wear on mechanical components, helps prevent premature equipment failure, and extends pump service life.
12. Staff refreshed the parking lot striping and repainted the facility's front entrance doors as part of routine facility maintenance. These improvements enhance parking visibility, improve pedestrian and vehicle safety, protect surfaces from weather-related deterioration, and maintain a clean, professional appearance for District facilities.
13. Staff performed routine maintenance on the Total Organic Carbon (TOC) analyzer using peroxide to remove accumulated organic buildup and contaminants. This cleaning helps maintain accurate and reliable TOC measurements, reduces the potential for instrument fouling, and supports effective monitoring and optimization of the water treatment process.

West Hills Water Treatment Plant (5) – Updated 10/15/2026.

1. Joel from Overaa reconfigured the ferric skid piping to allow the chemical feed pumps to dose each Actiflo treatment train independently. This modification provides greater operational flexibility and improves control over chemical dosing based on individual train demands. Independent dosing helps optimize treatment performance, improve chemical efficiency, and support reliable plant operations.
2. Staff continued clearing overgrown weeds and vegetation around the main treatment plant and raw water pump station perimeter. This ongoing maintenance helps reduce fire hazards, minimize pest activity, maintain safe access to critical infrastructure, and ensure the facilities remain accessible for routine inspections, maintenance, and emergency response.
3. Staff began loading accumulated dry sludge for hauling and disposal at John Smith Landfill.
4. Staff continued replacing worn and faded identification labels on piping throughout the facility. Proper labeling helps operators quickly identify piping systems and flow direction, improves workplace safety, reduces the risk of operational errors, and supports efficient maintenance and emergency response.
5. Staff installed a new submersible sump pump inside the raw water distribution pit to effectively remove accumulated water and maintain proper drainage.

Wastewater/Collections (4) -Updated 10/15/2026.

1. Katch Inc. performed work on SBR Pond #4 to improve the permeability of treated wastewater through the pond system. This work supports improved wastewater movement and infiltration, helping maintain treatment efficiency and reliable operation of the facility.
2. Staff removed accumulated dry sludge from the drying beds and transported it to John Smith Landfill for disposal. This routine maintenance restores available drying bed capacity, supports

efficient solids handling, and ensures the facility can continue managing sludge generated during the wastewater treatment process.

3. Staff completed hydro jetting at identified trouble spots throughout the wastewater collection system to remove accumulated grease, debris, and other obstructions. This preventative maintenance helps restore proper flow, reduce the risk of sewer blockages and sanitary sewer overflows, and maintain reliable operation of the District's collection system.
4. Staff replaced the butterfly valve serving Basin #2 at the Sequencing Batch Reactor (SBR) facility due to the need for reliable flow control. This repair helps ensure proper regulation of wastewater flow, improves operational control of the treatment basin, and supports the continued reliability and efficiency of the wastewater treatment process.



Project Location	: SBR Wastewater Treatment Plant, 10 Georges Drive
Project	: Pond #4 Ripping
Department	: Wastewater Department
Description	: Katch Inc. drained and performed work on Pond #4 in preparation for winter operations and the transition of wastewater flows to other ponds. This work helps prepare the pond system for seasonal operating conditions, supports proper flow management, and ensures the facility can continue operating reliably during the winter months.

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
514	Work Orders	1525	6896	6037	4338
45	Temporary Manual Read Water Meters Installed in New Construction Accounts	77	153	141	171
0	Radio Read Meters & ERTs Installed in New Construction Accounts	0	0	3	5
24	Total: Manual Read Meters Replaced with Radio Read Meters & ERT's, including Radio Meters Installed in New Construction Accounts	95 (Total = 7978)	185	270	216
106	Existing Radio Read Meters & ERTs Replaced with New Radio Read Meters & ERTs	264	1527	524	180
34	Valves Exercised (Approx. 3160 in SSCWD System 5/2026)	122	1230	280	299
41	Fire Hydrants Flushed (Approx. 1025 in SSCWD System 5/2026)	207	1079	502	466
0	Meters on Repair List	33	252	204	209
19	Emergency Calls	75	164	142	138
218	Locates on our Water/Sewer Lines	634	1907	2002	1722
0	Sewer Inspections	0	0	0	0
8	Shutoff Notices	26	96	59	23
0	Water Services Replaced	4 (Total = 996)	15	14	17

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



Hollister/Sunnyslope Intertie Water Balance

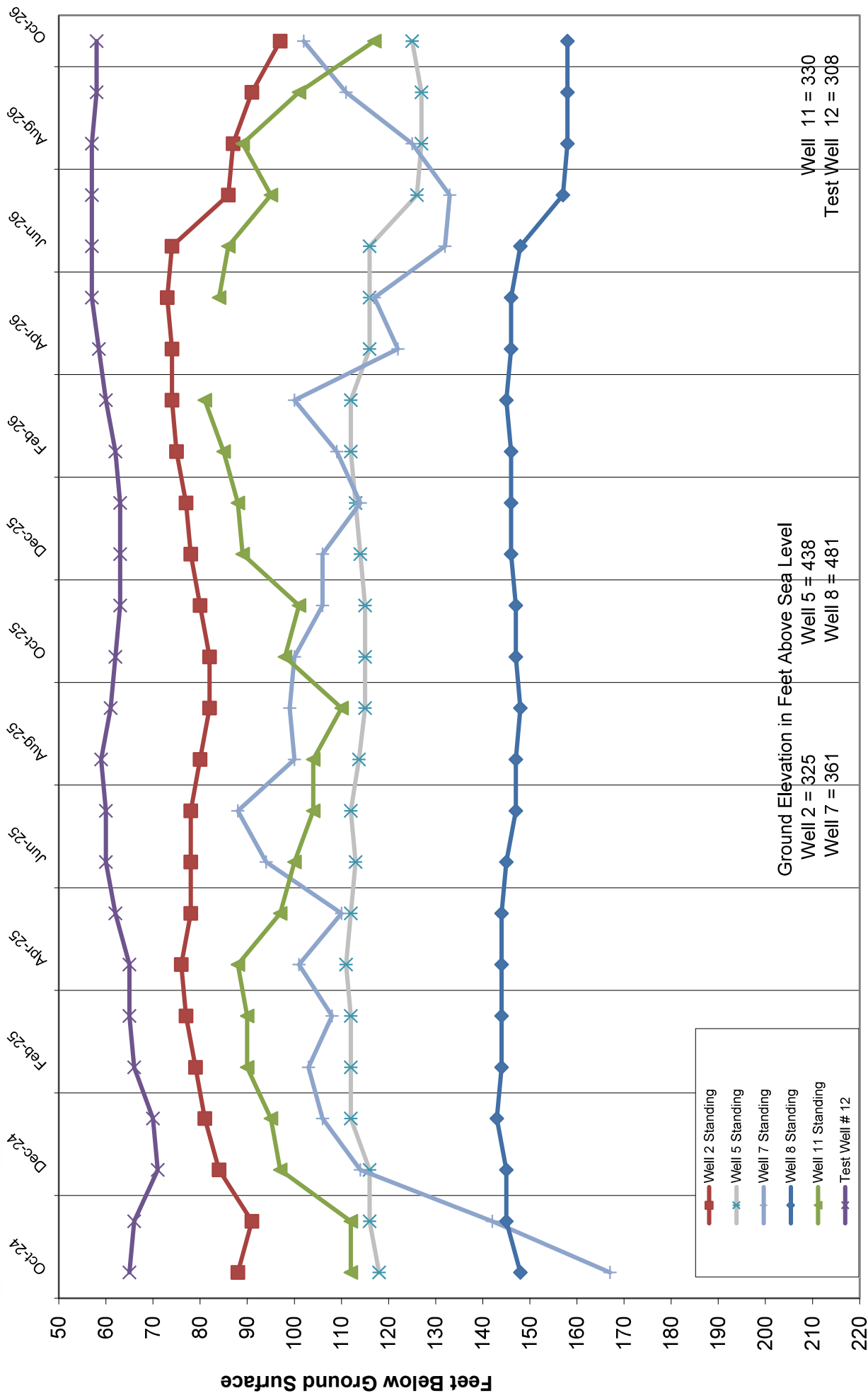
Report Date: October 1, 2026 Current Consumption Period: August 12, 2026 to September 14, 2026					
Intertie Location	Groundwater Flow to COH	Surface Flow to COH	Groundwater Flow to SSCWD	Surface Flow to SSCWD	to
	in Gallons				
Southside Road Intertie Water Total Flow	0	2,771,221			
Sunset & Memorial Water Total Flow	9,518,500	417,800	0		0
Sunnyslope & Memorial Water Total Flow	1,096,800	162,600	0		78,600
Hillcrest and Memorial Water Total Flow	5,500	6,000	200		200
Santa Ana & La Baig Water Total Flow	333,200	1,379,100	0		0
Intertie Sub-Total Water Flow	10,954,000	4,736,721	200		78,800
<i>Total Combined Surface and Ground Water Intertie Flow</i>	15,690,721		79,000		
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)					50,703,000
Surface Water Flow Sub-Totals		0			50,703,000
Ground Water and Surface Water Flow Totals	10,954,000	4,736,721	200		50,781,800
Current Period:	COH half of Surface Water Flow to Distribution (LESSALT & WH)	25,351,500			
	Net Ground/Surface Water Balance Owed to SSCWD (to COH)	10,953,800	-20,693,579		
	Beginning Water Balance Owed to SSCWD (to COH)	868,451,600	-265,091,732		
	Gallons Billed to COH thru Report Date September 1, 2026	0		Informational Last Month Net Total	603,359,868
	Sub-total Ending Water Balance Owed to SSCWD (to COH)	879,405,400	-285,785,311	Net Sub Total	593,620,089
	Half of Total Gallons LESSALT Discharge to City of Hollister Wastewater Treatment Plant during the current consumption period		1,741,500		
	Exchange Factor; Half of the total gallons discharged to COH WWTP from LESSALT multiplied by a factor of 4				6,966,000.00
	Ending Water Balance Owed to SSCWD (to COH)	872,439,400	-285,785,311	Net Total	586,654,089

Current:	LESSALT WTP Total Flow to Distribution	50,703,000			
	Percent of LESSALT Surface Water Received	COH	9.2%	SSCWD	90.8%
Current:	COH half of LESSALT Total Flow to Distribution	25,351,500			
	Intertie Net Surface Water Total Flow to COH	4,657,921			
	Intertie Net Ground Water Total Flow to COH	10,953,800			
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	277,041,000			
	West Hills WTP Total Flow to Distribution	402,822,000			
	Surface WTPs Total Flow to Distribution	679,863,000			
	Total YTD Surface Flow to COH/SSCWD	COH	313,051,988	SSCWD	366,811,012
	Percent of Surface Water Received	COH	46.0%	SSCWD	54.0%

Depth to Standing Water Level Below Ground Surface

Month/Year



Staff Report

Agenda Item: H – 6

DATE: October 20, 2026 (October 27, 2026 Meeting)

TO: Board of Directors

FROM: General Manager, Drew Lander P.E.

SUBJECT: General Manager Monthly Status Report

ACTIVE TASKS:

1. **Hexavalent Chromium Exceedance** – Attached to this report are two documents for your review. On October 12, 2026 the Division of Drinking Water (DDW) provided notice to the District that the rolling quarterly average for ChromVI has recently exceeded the Maximum Contaminant Level (MCL) of 10ug/L. Blending well water with treated CVP water is the most readily available way for Sunnyslope to ensure that water delivered to customers is below this new standard. Within 30 days of receiving this notice from DDW the District is required to notify our consumers. The notification letter prepared by the District has been included for board review and will be mailed together with our monthly billing at the end of the month.
2. **El Niño Preparation** – City and County jurisdictions across the state have been preemptively adopting emergency resolutions in preparation for an anticipated exceptionally stormy rainy season this year. Sunnyslope has participated with the County Hazard Assessment Plan preparation and remains eligible for Federal Assistance in the event of significant impacts. Sunnyslope staff have considered these abnormal storm events and have prepared accordingly. The State Water Resources Control Board has issued a proclamation of a state of emergency together with a warning to all sanitary sewer collection systems to prepare adequately or face regulatory enforcement. The notification letter is attached.
3. **Inter-Agency Coordination** – Sunnyslope staff continue to stand ready to assist the city in any capacity within our expertise. With the sudden departure of the new city manager, the continued reporting of financial distress, the turnover of key leadership roles and political gridlock it is difficult to understand what the next steps are for the City.

The County of San Benito has appointed a new Public Works Director (Adolfo Gonzalez) who has engaged the district in productive discussions to streamline the Water Consolidation Project coordination as well as to discuss winter storm preparation and cooperation.



State Water Resources Control Board Division of Drinking Water

October 12, 2026

System No. 3510003

Drew Lander, General Manager
Sunnyslope County Water District
3570 Airline Highway
Hollister, CA 95023
drew@sunnyslopewater.org

Dear Drew Lander,

HEXAVALENT CHROMIUM MAXIMUM CONTAMINANT LEVEL EXCEEDANCE

The State Water Resources Control Board, Division of Drinking Water (Division) has received the results of the hexavalent chromium samples collected between December 22, 2025, and July 27, 2026, from Sunnyslope's Enterprise Well 7 and Southside Well 02. The table below summarizes the sample results received and their running annual average.

Table 1: Hexavalent Chromium Sample Results by Source

Source Name	Quarterly Sample Date	Hexavalent Chromium Result (ug/L)
Enterprise Well 7	December 22, 2025	6.7
	January 21, 2026	12
	April 23, 2026	11
	July 27, 2026	14
Running Annual Average*		10.93
Southside Well 02	December 22, 2025	11
	January 21, 2026	11
	April 29, 2026	10
	July 14, 2026	11
Running Annual Average*		10.75

*Running Annual Average is calculated by averaging the available quarterly data by four quarters.

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

The average of the initial samples is over the hexavalent chromium maximum contaminant level (MCL) of 10 micrograms per liter (ug/L). (Cal. Code Regs., tit. 22, § 64432.) Therefore, quarterly sampling must continue and the public must be notified of the MCL exceedance. (Cal. Code Regs., tit. 22, §§ 64432, subd. (g), 64463.4, subd. (a).) The water system is also required to take specific actions described in the hexavalent chromium regulation, the first step of which is to develop a compliance plan that includes the following items:

- The proposed method the water system will use to achieve compliance with the hexavalent chromium MCL. The method could be providing treatment or using an alternative source. If treatment is proposed a pilot study must be included.
- The date by which the system plans to submit the final plans and specifications for any construction related to the proposed methods of achieving compliance.
- The dates by which the system plans to start and complete any construction of treatment or alternative source facilities.
- The dates by which the system plans to complete a treatment operations plan associated with the proposed facilities, if applicable.

(Cal. Code Regs., tit. 22, § 64432, subd. (q).)

The compliance plan should attempt to meet the deadline(s) below, listed by system size, although we recognize that it may not be feasible in all situations.

Table 2: Hexavalent Chromium MCL Compliance Dates

System Size (service connections served on October 1, 2024)	Compliance Date
10,000 or more	October 1, 2026
1,000 to 9,999	October 1, 2027
Fewer than 1,000	October 1, 2028

Sunnyslope has already reached out to the Division to inform them of their plan to blend water with other sources to comply with the hexavalent chromium MCL. Sunnyslope must still submit a compliance plan for review and approval by the Division. A hexavalent chromium compliance plan template and guidance document is attached along with a public notification template. The notification template must be sent to the Division for review and approval before it is distributed to the customers and must be completed as soon as possible but no later than **30 days after the date of this letter**. A compliance plan must be submitted to the Division for review and approval by **January 1, 2027**.

If you have any questions, please contact Anna Snyder at (831) 655-6934 or by email at anna.snyder@waterboards.ca.gov or me at (831) 655-6939 or dwpdist05@waterboards.ca.gov.

Sincerely,

Jonathan Weininger, PE
District Engineer, Monterey District
Division of Drinking Water

Enclosures: Permit Amendment Application Form, Monitoring Plan Template

Cc (by email): San Benito County Environmental Health Department

Jose Rodriguez, Water/ Wastewater Supervisor,
drew@sunnyslopewater.org

Appendix: Instructions for Tier 2 Hexavalent Chromium Exceedance Notice

Instructions for Tier 2 Hexavalent Chromium Exceedance Notice Template Attached

An exceedance of the hexavalent chromium maximum contaminant level (MCL) requires Tier 2 notification, and you must provide public notice to persons served as soon as practical but within 30 days after learning of the exceedance. (Cal. Code Regs, tit. 22, § 64463.4, subds. (a)(4) and (b).) However, such an exceedance may not be considered a violation if the water system is operating under an approved Hexavalent Chromium Compliance Plan. **Each water system required to give public notice must submit the notice to the State Water Resources Control Board, Division of Drinking Water (Division) for approval prior to distribution or posting, unless otherwise directed by the Division. (Cal. Code Regs, tit. 22, § 64463, subd. (b).)**

Notification Methods

You must use the methods summarized in the table below to deliver the notice to consumers. If you mail, post, or hand deliver the notice, print your notice on letterhead, if available.

The notice attached is appropriate for the notification methods described below, however, you may wish to modify it before using it for posting. If modified, the notice must still include all the required elements, including the health effects and mandatory language, which must be in italics. (Cal. Code Regs, tit. 22, § 64465, subd. (a)(3).)

Community Water Systems must use the primary method below and one or more secondary methods to reach persons not likely to be reached by the primary method.

Primary Method

1. Mail or direct delivery. The notice must be distributed to each customer receiving a bill including those that provide their drinking water to others (for example schools or school systems, apartment building owners, or large private employers), and other service connections to which water is delivered by the water system.

Secondary Methods (use one or more of the following methods to reach persons not likely to be reached by the primary method)

1. Publication in a local newspaper.
2. Posting in conspicuous public places served by the water system or on the internet. The notice must be posted in place for as long as the exceedance or occurrence continues, but in no case less than seven days.
3. Delivery to community organizations. (Cal. Code Regs, tit. 22, § 64434.4, subd. (c)(1).)

Non-Community Water Systems must use the primary method below and one or more secondary methods to reach persons not likely to be reached by the primary method.

Primary Method

1. Posting in conspicuous locations throughout the area served by the water system. The notice must be posted in place for as long as the exceedance or occurrence continues, but in no case less than seven days.

Secondary Methods (use one or more of the following methods to reach persons not likely to be reached by the primary method)

1. Publication in a local newspaper or newsletter distributed to customers.
2. Email message to employees or students.
3. Posting on the internet or an intranet. The notice must be posted in place for as long as the exceedance or occurrence continues, but in no case less than seven days.
4. Direct delivery to each customer. (Cal. Code Regs, tit. 22, § 64434.4, subd. (c)(2).)

Multilingual Requirement

The notice must contain information in Spanish regarding the importance of the notice or contain a telephone number or address where Spanish-speaking residents may contact the public water system to obtain a translated copy of the notice or assistance in Spanish.

If any non-English-speaking group, other than Spanish-speaking, exceeds 1,000 residents, or 10 percent of the residents served by the public water system, the notice must include (1) information in the appropriate language(s) regarding the importance of the notice or (2) the telephone number or address where such individuals may contact the water system to obtain a translated copy of the notice from the water system or assistance in the appropriate language. (Cal. Code Regs, tit. 22, § 64465, subd. (c)(2).)

Population Served

Make sure it is clear who is served by your water system -- you may need to list the areas you serve.

Corrective Action

In your notice, describe corrective actions you are taking. Do not use overly technical terminology when describing treatment methods. Listed below are some steps commonly taken by water systems with chemical or radiological violations/exceedances. Use one or more of the following actions, if appropriate, or develop your own:

- “We are working with [local/state agency] to evaluate the water supply and researching options to correct the problem. These options may include treating the water to remove hexavalent chromium or connecting to [system]’s water supply.”
- “We have stopped using the contaminated well. We have increased pumping from other wells, and we are investigating drilling a new well.”

- “We will increase the frequency at which we test the water for hexavalent chromium.”
- “We have since taken samples at this location and had them tested. They show that we meet the standards.”

After Issuing the Notice

Send a copy of each type of notice and a certification that you have met all the public notice requirements to the Division within ten days after you issue the notice. (Cal. Code Regs, tit. 22, § 64469, subd. (d).) Public water systems must also issue a certification that they have met all the public notice requirements for any repeat notices in addition to meeting any repeat notice requirements the Division sets.

It is recommended that you notify health professionals in the area of the exceedance. People may call their doctors with questions about how the exceedance may affect their health, and the doctors should have the information they need to respond appropriately. It is a good idea to issue a “problem corrected” notice when the MCL is no longer being exceeded.

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Este informe contiene información muy importante sobre su agua potable.

Tradúzcalo o hable con alguien que lo entienda bien.

[System] Has Levels of Hexavalent Chromium Above the Drinking Water Standard

This is not an emergency. As our customers, you have a right to know what you should do, what happened, and what we are doing to correct this situation. We routinely monitor for the presence of drinking water contaminants. Water sample results received on [date] showed hexavalent chromium levels of [level and units]. This is above the standard, or maximum contaminant level (MCL), of 0.010 milligrams per liter (10 ppb). We are working with the State Water Resources Control Board to address this exceedance and comply with the MCL within a compliance timeline.

What should I do?

- **You do not need to use an alternative water supply (e.g., bottled water).**
- This is not an emergency. If it had been, you would have been notified immediately. However, *some people who drink water containing hexavalent chromium in excess of the MCL over many years may have an increased risk of getting cancer.*
- If you have other health issues concerning the consumption of this water, you may wish to consult your doctor.

What happened? What is being done?

- A new Hexavalent Chromium MCL of 10 ppb became effective October 1, 2024.
- Hexavalent chromium was detected at levels that exceed the MCL. However, a water system of our size is not considered in violation of the Hexavalent Chromium MCL if operating under an approved Hexavalent Chromium Compliance Plan.
- We [are working to complete / have completed] a Hexavalent Chromium Compliance Plan that [will be reviewed / is being reviewed / has been approved] by the State Water Resources Control Board.
- We are working with the State Water Resources Control Board to address this exceedance and comply with the MCL. Specifically, we are [Describe actions taken (may include pilot studies, environmental review, funding applications, etc.) and planned actions (may include treatment, source changes, etc.)] [Optional: discuss approved compliance plan if already approved by the Division].
- We anticipate resolving the problem by [estimated time frame (Compliance plan finalization date, if applicable)].

For more information, please contact [name of contact] at [phone number] or [mailing address].

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in

apartments, nursing homes, schools, and businesses). You can do this by posting this public notice in a public place or distributing copies by hand or mail.

If you are a school or school system, the owner or operator of residential rental property, or the owner or operator of a business property, then you are legally required to notify the following people of the information in this notice within ten days of your receipt of this notice:

- SCHOOLS: You must notify school employees, students, and parents (if the students are minors).
- RESIDENTIAL RENTAL PROPERTY OWNERS OR MANAGERS (including nursing homes and care facilities): You must notify tenants.
- BUSINESS PROPERTY OWNERS, MANAGERS, OR OPERATORS: You must notify employees of businesses located on the property.
- If you fail to notify the above people, you may be civilly liable up to \$1,000 per day for each day that you fail to notify them. (Health & Saf. Code, §§ 116450, subd. (g); 116650, subd. (e).)

This notice is being sent to you by [\[system\]](#).

State Water System Number: [\[Insert water system number\]](#).

Date distributed: [\[Insert date the notice is distributed\]](#).



State Water Resources Control Board

Division of Drinking Water

Hexavalent Chromium Compliance Plan Guidance

Background

The hexavalent chromium regulation requires Community and Nontransient-noncommunity (NTNC) water systems to conduct initial monitoring for hexavalent chromium within 6 months of the regulation's effective date. The water system shall require their labs to use either EPA Method 218.6 or 218.7 for the analysis of hexavalent chromium in drinking water. Samples must be collected from groundwater and surface water sources before treatment.

MCL Exceedance Determination

If a single sample exceeds 10 ppb for hexavalent chromium, the water system must initiate quarterly sampling for that source. The quarterly samples should be taken in the same month (1st, 2nd, or 3rd) each quarter. The source has exceeded the hexavalent chromium MCL if the running annual average of quarterly samples is greater than 10 ppb.

In the Example Monitoring Data below, Well 1 has exceeded the MCL and triggered the requirement to submit a compliance plan when the water system is notified of the results of the fourth quarter sample. Up until the results of the 4th quarter sample were known, the average had a chance of being under the MCL. On the other hand, Well 2 exceeded the MCL in the first quarter because even if the remaining quarters were zero, the average would still be over 10 ppb.

Example Monitoring Data (ppb)

Sample Date	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Well 1	10	12	12	11
Well 2	42	42	43	45

If a source exceeds the hexavalent chromium MCL before the applicable compliance date (see table below), the water system must submit a compliance plan to the Division of Drinking Water within 90 days of when the water system was notified, by the lab, of the result which caused them to exceed the MCL. If an exceedance occurs after a system's compliance date, a compliance plan is no longer required, but the exceedance is considered a violation.

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

Compliance Dates for the Hexavalent Chromium MCL

System Size (service connections)	Compliance Date
10,000 or more	October 1, 2026
1,000 to 9,999	October 1, 2027
Fewer than 1,000	October 1, 2028

Compliance Plan Requirements

The compliance plan must describe how the water system will return to compliance with the hexavalent chromium MCL within a reasonable timeframe. At a minimum, the compliance plan shall include:

1. The proposed method for complying with the hexavalent chromium MCL and if applicable, proposed pilot studies (e.g., removing the source from service, providing removal treatment, and blending):
 - Describe the proposed treatment facility and any pilot studies or other methods which were used to select the type of treatment being proposed.
 - Describe how the proposed treatment facility will be operated to ensure simultaneous compliance (i.e., hexavalent chromium along with corrosion control, DBPs compliance, etc.)
2. If the proposed compliance method requires construction the water system must submit dates for the following:
 - The date by which the system will submit to the State Board final plans and specifications for the proposed method of compliance
 - The anticipated date for commencing construction
 - The anticipated date for completing 100 percent of construction
3. If a new or modified treatment process is required, the anticipated date a Hexavalent Chromium Operations Plan will be completed and submitted to DDW. The plan must include the following:
 - Performance monitoring program
 - Describes how the treatment process will be monitored (water quality, pressure differential, flow rate, bed volumes treated, backwash frequency/duration, etc.) to ensure it is performing as designed.
 - Unit process equipment maintenance program
 - Describe the routine maintenance program the water system will carry out to ensure the proper operation of the proposed facility.
 - How and when each unit process is operated
 - Provide a detailed description of each unit process including how and when each unit process will be operated.

- Procedures used to determine chemical dose rates
 - Provide details of pilot studies or other means used to determine the proper treatment chemicals and dosages for effective hexavalent chromium reduction.
- Reliability features
 - Describe alarm setpoints, standby power, redundant treatment processes, automatic shutdown features, etc.
- Treatment media inspection program
 - If the treatment proposal includes a removal process, such as filtration, the compliance plan must describe how the water system will ensure the media is still effective through routine inspections. At a minimum, describe the frequency of inspections, the method of inspection and what to look for, and criteria that will be used to initiate media change out.

Once a Compliance Plan is submitted, the State Water Board's Division of Drinking Water will review it to ensure that it meets the minimum requirements, above.

Hexavalent Chromium Maximum Contaminant Level (MCL) Compliance Plan

Water System Name:

Water System Number:

Select Your System Size	Service Connections	Hexavalent Chromium MCL Compliance Date
	10,000 or greater	October 1, 2026
	1,000 to 9,999	October 1, 2027
	Fewer than 1,000	October 1, 2028

While these plans can be amended as needed, the approved plans and the dates within are enforceable. Dates do not need to be included if they are not applicable (for example, if no construction is planned).

1. Sources and Facilities

Sources and facilities included in the Hexavalent Chromium MCL Compliance Plan:

Source/Facility Name	Source PS Code/Facility ID Number

2. Methods of Compliance

Describe the method the water system will use to comply with the hexavalent chromium MCL. Optionally, providing a brief summary of how this method was chosen may expedite review.

Source/Facility Name	Method of Compliance and Optional Summary
Example: Well A	Example: Blend with Well B, which does not have detectable levels of hexavalent chromium (<0.1ug/L).

3. Plans and Specifications Finalization Dates

Provide the date by which the system plans to submit the final plans and specifications for construction related to the methods listed above. Please list the source with its associated method of compliance in the first column.

Source and Compliance Method	Plans/Specifications Submittal Date
Example: Blending for Well A	Example: October 18, 2025

4. Construction Start and End Dates

Provide the date(s) by which the system plans to start and complete construction related to the methods listed above. Please list the source with its associated method of compliance in the first column.

Source and Compliance Method	Construction Start Date	Construction End Date

5. Operations Plan Date

An Operations Plan is required for a water system utilizing a new or modified treatment process to comply with the hexavalent chromium MCL. The Operations Plan must be submitted to the State Board for review and approval prior to serving water treated by the new or modified treatment process to the public.

Provide the date(s) by which the system plans to complete and submit a treatment operations plan for each of the methods associated with operating each hexavalent chromium treatment facility listed above.

Treatment Facility	Operations Plan Submittal Date

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Sunnyslope County Water District Has Levels of Hexavalent Chromium Above the Drinking Water Standard

*Este informe contiene información muy importante sobre su agua potable.
Tradúzcalo o hable con alguien que lo entienda bien.*

THIS NOTICE IS NOT AN EMERGENCY.

ESTE NOTICIA NO ES UNA EMERGENCIA.

As our customers, you have a right to be informed regarding actions your water provider is taking to protect your water supply.

We routinely monitor for the presence of drinking water contaminants. Water sample results received between December 22, 2025 and July 27, 2026 from Sunnyslope's Well 7 and Well 2 showed the running annual average of hexavalent chromium levels of 10.93 ug/L and 10.75 ug/L, respectively.

These results reflect naturally occurring hexavalent chromium in the Hollister aquifer and do not represent external contamination. This is above the standard, or maximum contaminant level (MCL), of 10.0 micrograms per liter (ug/L) (10 parts per billion also written as "ppb"). **At an MCL of 10 ppb, it is estimated that a person who drinks two liters of water daily for 70 years could have a 1-in-2,000 chance of developing cancer.**

We are working with the State Water Resources Control Board to address this exceedance and comply with the MCL within a compliance timeline.

What should I do?

- **You do not need to use an alternative water supply (e.g., bottled water).**
- This is not an emergency. If it had been, you would have been notified immediately. However, some people who drink water containing hexavalent chromium in excess of the MCL over many decades may have an increased risk of getting cancer.
- If you have other health issues concerning the consumption of this water, you may wish to consult your doctor.

What happened? What is being done?

- Hexavalent Chromium naturally occurs and has existed throughout the environment.
- Before October 1, 2024, hexavalent chromium had been regulated under the total chromium MCL of 50 ug/L and Hollister water supplies have always remained well below that number.
- On October 1, 2024, a new Hexavalent Chromium MCL of 10 ppb became effective.
- Hexavalent chromium was detected at levels that exceed the new MCL. However, a water system of our size is not considered in violation of the Hexavalent Chromium MCL if operating under an approved Hexavalent Chromium Compliance Plan.
- Sunnyslope County Water District has prepared a Hexavalent Chromium Compliance Plan and Operation Plan that is under review by the State Water Resources Control Board.
- We are working with the State Water Resources Control Board to address this exceedance and comply with the MCL. Sunnyslope has been providing groundwater blended with treated water from the San Luis reservoir

since 2018. When blended, the water delivered to our customers is significantly below the new MCL of 10ppb. Sunnyslope is currently conducting a feasibility study to continue this practice as a way of always providing water that is compliant with State standards.

- After receiving approval from Division of Drinking Water (DDW), Sunnyslope County Water District will immediately implement the treatment to our water sources.

For more information, visit our website at <https://www.sunnyslopewater.org/hexavalent-chromium>, please contact us at 831-637-4670 or billing@sunnyslopewater.org.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this public notice in a public place or distributing copies by hand or mail.

If you are a school or school system, the owner or operator of residential rental property, or the owner or operator of a business property, then you are legally required to notify the following people of the information in this notice within ten days of your receipt of this notice:

- SCHOOLS; You must notify school employees, students, and parents (if students are minors).
- RESIDENTIAL RENTAL PROPERTY OWNERS OR MANAGERS (including nursing homes and care facilities): You must notify tenants.
- BUSINESS PROPERTY OWNERS, MANAGERS, OR OPERATORS: You must notify employees of businesses located on the property.
- If you fail to notify the above people, you may be civilly liable up to \$1,000 per day for each day that you fail to notify them. (Health & Saf. Code, §§ 116450, subd. (g); 116650, subd. (e).)

This notice is being sent to you by Sunnyslope County Water District.
State Water System Number: 3510003
Date distributed: October 27, 2026.



GAVIN NEWSOM
GOVERNOR



YANA GARCIA
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

October 9, 2026

ATTN: Sanitary Sewer Collection Systems

PREPARATION FOR ANTICIPATED 2026-2027 EL NIÑO RAINY SEASON

The State Water Resources Control Board and Regional Water Quality Control Boards (collectively, Water Boards) are notifying you to prepare your sanitary sewer system for the 2026-2027 rainy season.

On September 21, 2026, Governor Gavin Newsom issued a [proclamation of a state of emergency](#) in preparation for potential severe weather and flooding associated with the predicted El Niño event. El Niño is a natural climate pattern that occurs when a band of warm water develops in the Pacific Ocean which causes higher than average rainfall throughout the state.

To minimize sanitary sewer system spills due to severe storms, Sanitary Sewer Systems General Order enrollees must have an up-to-date emergency response plan and complete preventative maintenance: reduce inflow and infiltration, fix structural vulnerabilities, ensure adequate system capacity.

The Water Boards will evaluate rain-related spills to determine if the enrollee took appropriate preventative maintenance and preparation measures for the rainy season. Failure to demonstrate adequate preventative measures may result in an enforcement action.

If you have questions, please contact sanitarysewer@waterboards.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Crader".

Phillip Crader, Deputy Director
Division of Water Quality

Staff Report

Agenda Item: I - 1

DATE: October 23, 2026 (October 27, 2026 Meeting)

TO: Board of Directors

FROM: General Manager, Drew A. Lander P.E.

SUBJECT: 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)

RECOMMENDATION:

Staff recommends the Board receive the Wastewater Rate Study prepared by Raftelis and Approve Resolution No. 622. Then authorize the General Manager to mail Proposition 218 notices to all affected property owners being served by the Ridgemark wastewater treatment facilities, and set a public hearing date of December 15, 2026 to consider any protests received prior to taking action.

BACKGROUND:

Following the COVID pandemic the District commissioned a rate study in 2023 to evaluate the current fee structure of both the Water charges and Wastewater services provided by the district. At that time a third-party consultant determined that the revenue being generated was sufficient for wastewater operations through 2026 when rates would be expected to need adjustment to maintain parity with inflation.

The main recommendation that was considered at that time was the transition from volume-based sewer charges in favor of a fixed rate sewer model. Presently the volume-based charges are calculated every year where the average volume of water used by each property in the months of February and March become the multiplier for volume charge which is added to a fixed fee resulting in the total sewer billed each month. Staff recommended the board consider adopting a single fixed fee monthly to avoid errors in hand calculations of sewer volume charges each year. The Board did not adopt the fixed rate model for sewer charges at that time, however a 218 process for water rates was successful and was implemented.

In April of 2026 staff mistakenly inputted the flat rate model sewer rate calculated in 2023 into the district billing system. The board was notified of this error in May and the charge of \$137.25 was reversed in June of 2026. All customers who experienced an increase in their sewer bill due to this error were refunded any overage from April and May. And all customers who experienced a reduction in sewer charges were allowed to remain at that rate of \$137.25 until sewer rates could be once again analyzed.

The conclusion of the analysis is presented in the Raftellis Westwater Study Draft dated October 9th, and has determined that operational efficiency maintained by Sunnyslope staff will allow the proposed fixed sewer charge to be reduced further to \$125.30. This means that 53% of customers will pay less than they have been paying previously, and 47% of customers will pay slightly more, however after this change future sewer rates will only be adjusted by the expected rate of inflation over the following 5 years. At this time the average monthly bill will decrease by \$9.03 per customer.

FISCAL IMPACT:

The fiscal impact of adopting the proposed sewer rates as outlined in the presentation by Raftelis Financial Consultants and will maintain current funding revenues with annual increases commensurate with anticipated inflation expectation.

ENVIRONMENTAL IMPACT:

The establishment of sewer rates are statutorily exempt from CEQA as defined by Article 18 California Code of Regulations 15273 (a) (State CEQA Guidelines) for normal operating activities of operating the wastewater system. Adoption of this Ordinance is not a project under CEQA Guidelines Section 15378 as it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

ATTACHEMENTS:

1. Resolution No. 622 – Exhaustion of Remedies Procedure
2. Proposition 218 Mailer
3. Raftelis Draft Rate Study

RESOLUTION NO. 622

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUNNYSLOPE COUNTY WATER DISTRICT TO IMPLEMENT THE ADMINISTRATIVE EXHAUSTION REMEDIES AND PROCEDURES OF CALIFORNIA GOVERNMENT CODE SECTIONS 53759.1 AND 53759.2 FOR PROPERTY-RELATED FEE AND ASSESSMENT PROCEEDINGS

WHEREAS, the Sunnyslope County Water District (District) establishes, modifies, and collects property-related fees, charges, or special assessments for its water utilities in compliance with Article XIII D, Section 6 of the California Constitution (commonly known as “Proposition 218”); and

WHEREAS, the California Legislature enacted Assembly Bill 2257 (Chapter 561, Statutes of 2024), which added Sections 53759.1 and 53759.2 to the California Government Code, establishing an optional statutory mechanism for local agencies to require exhaustion of administrative remedies before a ratepayer may file a judicial challenge against a property-related fee or assessment; and

WHEREAS, Government Code Section 53759.1 provides that if a local agency elects to apply these procedures, no person may maintain a judicial action alleging that a new, increased, or extended fee or assessment fails to comply with Article XIII D of the California Constitution unless that person has timely submitted a specific, written objection to the District stating the grounds for noncompliance; and

WHEREAS, the Board of Directors finds that adopting these administrative remedies promotes transparency, provides the District with a meaningful opportunity to review and substantively respond to technical or legal concerns before rates are finalized, and ensures that any subsequent judicial review is restricted to the administrative record established before the District; and

WHEREAS, the District intends to strictly fulfill all statutory prerequisites required by Government Code Section 53759.1, including providing a 45-day public review period, publishing the rate study and written basis for the fee/assessment on the District website, and issuing written responses to timely objections prior to the conclusion of the public hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SUNNYSLOPE COUNTY WATER DISTRICT AS FOLLOWS:

SECTION 1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. Election of AB 2257 Procedures. Pursuant to California Government Code Sections 53759.1 and 53759.2, the Sunnyslope County Water District hereby elects to implement and apply the statutory administrative exhaustion remedies and administrative record procedures to all proceedings for the adoption, increase, or extension of property-related water, sewer, or wastewater fees, charges, or special assessments.

SECTION 3. Implementation Requirements. For all rate-setting proceedings initiated after the effective date of this Resolution, District staff shall ensure compliance with the following mandates:

1. **Public Review Period:** A written basis for the proposed fee or assessment shall be made available to the public for a minimum of 45 days before the public protest hearing.
2. **Website Posting:** The written basis and a direct link to the public notice shall be prominently posted on the District's primary website.
3. **Written Objections:** The District shall accept written objections from any person until 5:00pm on December 14, 2026. To be valid for purposes of administrative exhaustion, an objection must be in writing, state the specific grounds for constitutional noncompliance, and include sufficient detail to permit a substantive response.
4. **Written District Responses:** The District shall issue written responses to all timely-received, specific written objections before the governing body concludes the public hearing.

SECTION 4. Mandatory Notice Warning. All Proposition 218 notices mailed to property owners for covered fees or assessments shall contain a prominent, legally sufficient warning notifying ratepayers that failure to submit a timely, specific written objection will bar them from bringing a future court challenge under the exhaustion of administrative remedies doctrine.

SECTION 5. Judicial Review and Record Limitation. Pursuant to Government Code Section 53759.2, judicial review of any challenged fee or assessment adopted shall be strictly limited to the official administrative record generated during the District proceedings.

SECTION 6. Severability. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Resolution.

SECTION 7. Effective Date. This Resolution shall take effect immediately upon its adoption.

THE FOREGOING RESOLUTION No. 622 on a motion by Director _____ and second by Director _____ is duly adopted this 27th day of October 2026, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

SUNNYSLOPE COUNTY WATER DISTRICT

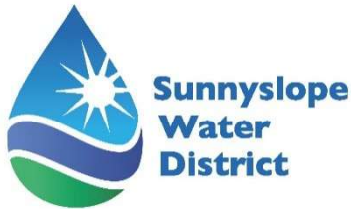
Signed: _____

Mike Alcorn, President

(S E A L)

ATTEST:

*Drew A. Lander, General Manager/Secretary of the
Board of Directors*



PARCEL NUMBER

3570 Airline Highway
Hollister, CA 95023-9702

<APN>

<OwnerName>
<Address1>
<Address2>
<Address3>
<Address4>

Proposition 218 Notification

NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED FIXED FEE WASTEWATER (SEWER) RATES

Why is Billing Changing?

Flat Rate Billing:

Sunnyslope has run the Ridgemark Wastewater Treatment Plant (RWWTP) for 12 years. Our billing data shows that sewer rates have covered the cost of running it. To keep rates steady, the District has invested in solar power and equipment that uses less energy.

Almost all (98%) of the system's costs are fixed. They stay about the same each year. Fixed costs include buildings, yearly upkeep, staff, underground pipes, pump stations, permits, and meeting state rules. Other costs, such as power and chemicals, can change. We have kept these low by running the plant more efficiently.

Right now, part of your sewer bill is based on how much water your home uses in February and March. But when a home uses less water, the cost of running the sewer system doesn't go down. A fixed rate that stays the same keeps the District's income and office costs steady. In the end, this costs the District less to run.

Hearing Date & Time:

**December 15, 2026 @ 5:15PM
or as soon thereafter as possible**

Hearing Location:

**Sunnyslope County Water District (Board Room)
3570 Airline Highway, Hollister, CA 95023**

Basis of Proposed Rates

State law and District policy say sewer rates must cover the cost of running the sewer system, but no more. The District's current rates do this. These costs include electricity, equipment, supplies, repairs, testing, treatment chemicals, meeting state rules, and staff pay and benefits.

Sewer rates last changed in 2018. Since then, your sewer bill has been figured the same way each year. You pay a base rate of \$95.93 a month. You also pay \$5.64 for each hundred cubic feet (hcf) of water you use, based on your average use in February and March. These months are used because little water goes to outdoor watering then.

An outside consulting firm studied our rates. It found that current rates bring in enough money to run the system; however, the current charge, which changes with water use, does not fairly show how much each home uses the sewer system. A fixed monthly charge would keep income steady. It would also free up staff from recalculating new rates each year. It would make each home's share match the real cost of sewer service. It would lower bills for most customers. And it would still pay to run, repair, and

improve the system. The new rates would pay for all of these costs. Small yearly increases should keep pace with inflation.

Cost of Service:

Wastewater rates have not increased since December 2018. Since then, inflation has raised costs by more than 20%. Even so, the District managed costs and did not raise your rates. After 12 years of running the reconstructed treatment plant, our data shows that the current mix of fixed and variable charges no longer fits and needs to be updated. The new single fixed charge would cover all sewer services. In the future, it would only go up with inflation. This means your bill may go up or down one time to match the new charge. After that, all single-family homes will pay the same amount. Thereafter, yearly increases will be no more than 3.5%, the expected rate of inflation, through January 1, 2031.

Wastewater Capital Projects:

The sewer system needs \$5 million in major repairs and upgrades over the next five years. These costs are built into the fixed rate. We will pay for each project as it is done without borrowing money.

Wastewater Rates

Today, the monthly sewer charge has two parts: a fixed charge, plus a charge based on how much water you use in winter.

Under the proposed sewer rates:

- Single-family homes would pay one fixed rate, shown below.
- Multi-family buildings would pay the fixed rate times the number of units.
- Businesses would still pay based on how much water they use, subject to a minimum sewer charge.

Customer Class	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Effective Date		1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031
Single Family Residential						
Fixed Charge, \$/mo/dwelling unit	\$95.93	\$125.30	\$129.69	\$134.23	\$138.93	\$143.80
Variable, \$/hcf	\$5.64	--	--	--	--	--
Multi Family Residential						
Fixed Charge, \$/mo/dwelling unit	\$72.98	\$81.80	\$84.67	\$87.64	\$90.71	\$93.89
Variable, \$/hcf	\$5.64	--	--	--	--	--
Commercial & Industrial (1)						
Cottages, Motels, Trailer Parks, Laundries, etc.	\$9.20/hcf	\$19.81/hcf	\$20.51/hcf	\$21.23/hcf	\$21.98/hcf	\$22.75/hcf
Commercial and Industrial	\$12.14/hcf	\$50.00/hcf	\$51.75/hcf	\$53.57/hcf	\$55.45/hcf	\$57.40/hcf
Minimum Charge, \$/mo	--	\$34.60	\$35.82	\$37.08	\$38.38	\$39.73

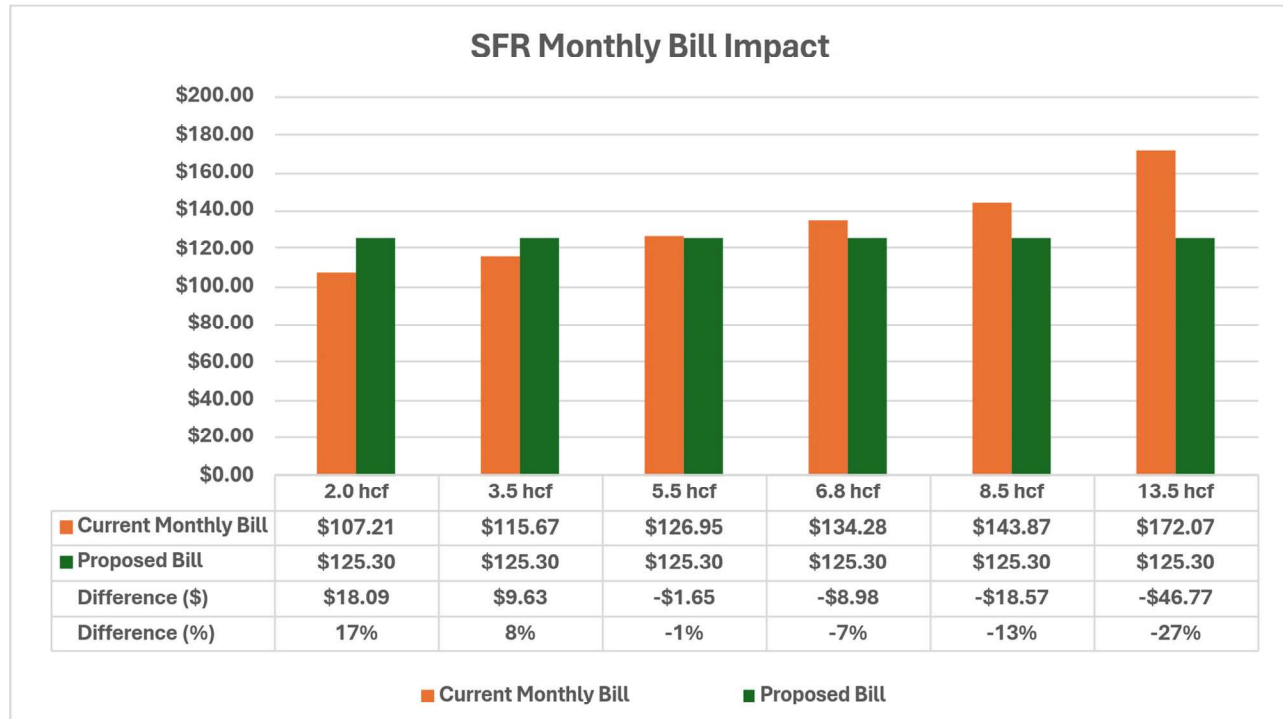
(1) Subject to a minimum charge.

We expect inflation to average about 3.5% a year over the next five years.

Effective Date	Revenue Adjustment
1-Jan-27	3.5%
1-Jan-28	3.5%
1-Jan-29	3.5%
1-Jan-30	3.5%
1-Jan-31	3.5%

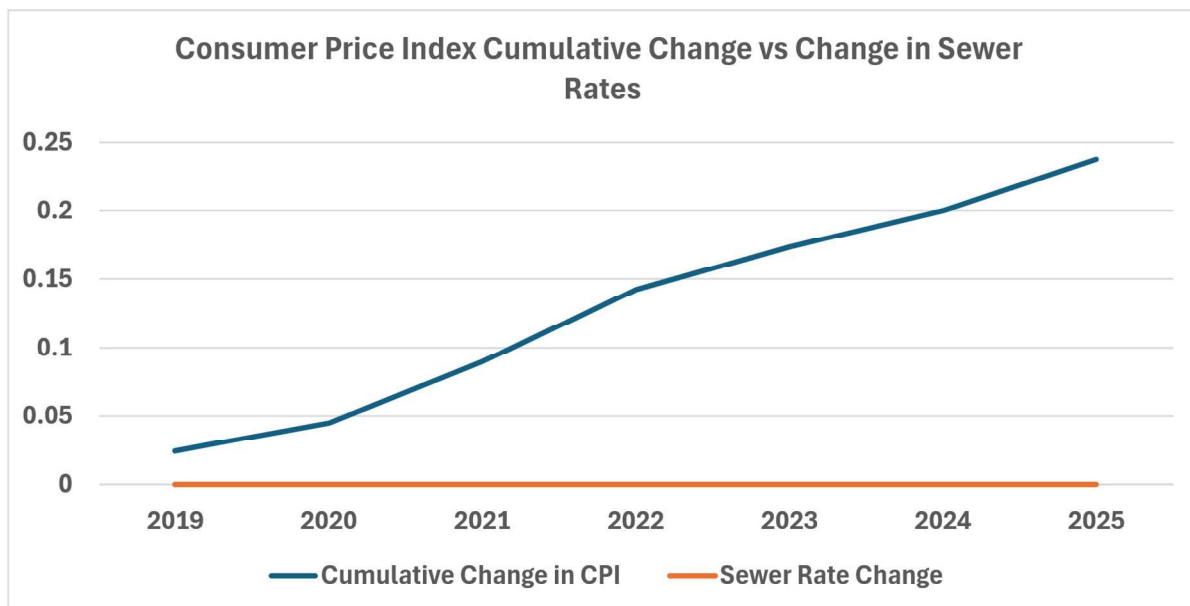
How will a fixed charge affect you?

The average home uses 5.5 hundred cubic feet (hcf) of water. Homes that use more than 5.5 hcf will see a lower sewer charge. In July of this year, we temporarily lowered every home bill that was over \$137.25 in anticipation of adopting these new rates. The new sewer rate will reduce most bills further to \$125.30 starting January 2027. Moving forward



What has Sunnyslope done to reduce costs?

Sewer rates have not changed since December 2018. Only changes in water use have raised or lowered bills each year. That system is still in place. But in 2026, rates were not figured correctly. Staff responded by lowering every bill that was higher than the year before. We then hired an outside consultant to review the rates. The review found that a fixed rate better matches each home's share to the real cost of sewer service. The graph below shows that inflation has raised sewer costs by more than 20%. However, the District has reduced expenses at the treatment plant. We added solar power that brings in extra money. We made the plant run better. And we now need fewer chemicals to fully treat the water.



**IMPORTANT LEGAL NOTICE: MANDATORY ADMINISTRATIVE EXHAUSTION REQUIREMENT
(AB 2257 / GOVERNMENT CODE SECTION 53759.1)**

PLEASE TAKE NOTICE that pursuant to California Government Code Sections 53759.1 and 53759.2, and Resolution No. 622 adopted by the Sunnyslope County Water District, the District has implemented formal administrative exhaustion procedures for these rate-setting proceedings.

FAILURE TO SUBMIT A TIMELY, SPECIFIC WRITTEN OBJECTION PRIOR TO 5:00PM ON DECEMBER 14, 2026 WILL LEGALLY BAR YOU FROM CHALLENGING THE PROPOSED FEES OR ASSESSMENTS IN COURT.

If you intend to judicially challenge the proposed new, increased, or extended fees or assessments under Article XIII D of the California Constitution (Proposition 218) or any other provision of law, you must exhaust your administrative remedies by doing all of the following:

- 1. Submit a Written Objection:** You must submit a formal objection in writing to the District. A verbal statement at the public hearing or a standard "no" ballot protest is not sufficient to meet this legal requirement.
- 2. State Specific Grounds:** Your written objection must explicitly state the precise constitutional, statutory, or technical grounds upon which you contend the proposed fees or assessments do not comply with the law.
- 3. Meet the Deadline:** Your detailed written objection must be received by the District Clerk no later than 5:00pm at the District Administration Offices, 3570 Airline Hwy, Hollister CA 95023 on December 14, 2026.

Any subsequent judicial review or court challenge brought against these proposed rates will be strictly limited to the official administrative record generated by the Agency and the specific issues raised in the timely written objections submitted during this process.

Written objections may be delivered by mail or in person to:
Sunnyslope County Water District
Attn: District Clerk / Secretary
3570 Airline Hwy
Hollister CA 95023

Concerns, Please Contact Us

If you have any questions about this notice, please call the Sunnyslope Water District at (831) 637-4670 during regular business hours or email directly to: generalmanager@sunnyslopewater.org



SUNNYSLOPE COUNTY WATER DISTRICT

Wastewater Rate Study - DRAFT

Draft Report / October 9, 2026



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October 9, 2026

Mr. Drew Lander
General Manager
Sunnyslope County Water District
3570 Airline Hwy
Hollister, CA 95023

Subject: Wastewater Financial Plan Study Report - DRAFT

Dear Mr. Lander:

Raftelis is pleased to provide this Wastewater Rate Study report for the Sunnyslope County Water District (District) to update wastewater rates that are equitable and align with Proposition 218.

The major objectives of the study include the following:

- Develop a financial plan for the wastewater enterprises to ensure financial sufficiency, meet operation and maintenance (O&M) costs, ensure sufficient funding for capital replacement and refurbishment (R&R) needs, and improve the financial health of the enterprise
- Develop a cost-of-service analysis for the enterprise
- Review and update current rate structures for the wastewater enterprise

The report summarizes the key findings and recommendations related to the development of the financial plans for the wastewater utility and the development of the updated wastewater rates.

It has been a pleasure working with you, and we thank you and the District staff for the support provided during the course of this study.

Sincerely,

A handwritten signature in blue ink that reads 'Theresa M. Jurotich'.

Theresa Jurotich, P.E., PMP
Manager

A handwritten signature in blue ink that reads 'Sudhir Pardiwala'.

Sudhir Pardiwala, PE
Senior Principal

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Appendix A: Capital Improvement Program, 5-Years

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1. Executive Summary

1.1. Study Background

The Sunnyslope County Water District (District) engaged Raftelis to conduct a Wastewater Rate Study to develop a solvent financial plan as well as design rates for the wastewater system. The District last updated wastewater rates in December 2018.

The major objectives of the study include the following:

- Develop a financial plan for the wastewater system to ensure financial sufficiency, meet operation and maintenance (O&M) costs, ensure sufficient funding for capital replacement and refurbishment (R&R) needs, and maintain the financial health of the enterprise
- Review current rate structures for the wastewater enterprise
- Develop a cost-of-service analysis for wastewater
- Develop fair and equitable wastewater rates

1.2. Rate Study Process

The study is informed by the District's policy objectives, the current wastewater system rates, and the legal requirements in California (namely, Proposition 218). The resulting cost-of-service analysis and rate design process consider all these factors and follows four key steps, outlined below, to derive proposed rates that fulfill the District's policy objectives, meet industry standards, and align with Proposition 218.

This study was also conducted using industry-standard principles outlined by the Water Environment Federation's Financing and Charges for Wastewater Systems. The overall process outlined below applies to the development of wastewater rates.

- Financial Plan: Develop cash flow projections for the Wastewater Enterprise to determine the amount of revenue required from wastewater rates to fully recover the costs of providing service.
- Cost-of-Service Analysis: Allocate total costs to system components, and then to various user classes, based on customers' unique characteristics.
- Rate Design: Develop rates for different customer classes and sub-classes, based on cost of service, that generate sufficient revenues to recover costs, and communicate policy preferences of the agency.

- Report Preparation: Develop a study report to document the underlying inputs, assumptions, analyses, and results of the rate study.
- Rate Adoption: Proposed rates may be adopted by the District only after holding a public hearing in accordance with Proposition 218 requirements.

1.3. Wastewater Summary

Raftelis conducted a status quo cash flow analysis to evaluate whether existing wastewater rates adequately fund the Wastewater Enterprise's various expenses over a ten-year planning period. Annual projections of revenues, O&M expenses, debt service payments, and capital expenditures through FY 2036 were developed with District staff to keep the long-term outlook in mind. The discussion in this report focuses on the 5-year rate-setting period (aka study period). Without increased rate-based revenue, the District will not be able to cover annual costs or reinvest in the system by FY 2032 because reserves will be depleted. Therefore, overall revenue adjustments as shown in Table 1-1 are proposed to help cover expenses and maintain a minimum level of reserves.

Table 1-1: Proposed Wastewater Revenue Adjustments

Effective Date	Revenue Adjustment
1-Jan-27	3.5%
1-Jan-28	3.5%
1-Jan-29	3.5%
1-Jan-30	3.5%
1-Jan-31	3.5%

Key factors influencing the need for proposed revenue adjustments include:

- Cost inflation: Operating costs continue to increase year over year due to inflationary pressures. The San Francisco-Oakland-Hayward Consumer Price Index has increased almost 30 percent since the District last increased rates.
- Planned capital expenditures: capital improvement plan project expenditures.
- Draw down of reserves without any revenue adjustments

Figure 1-1 shows the proposed capital improvement plan over the study period. Capital projects are assumed to be funded by capital reserves, capacity fees, and rate-based revenues (no new debt is issued), as shown in Figure 1-2.

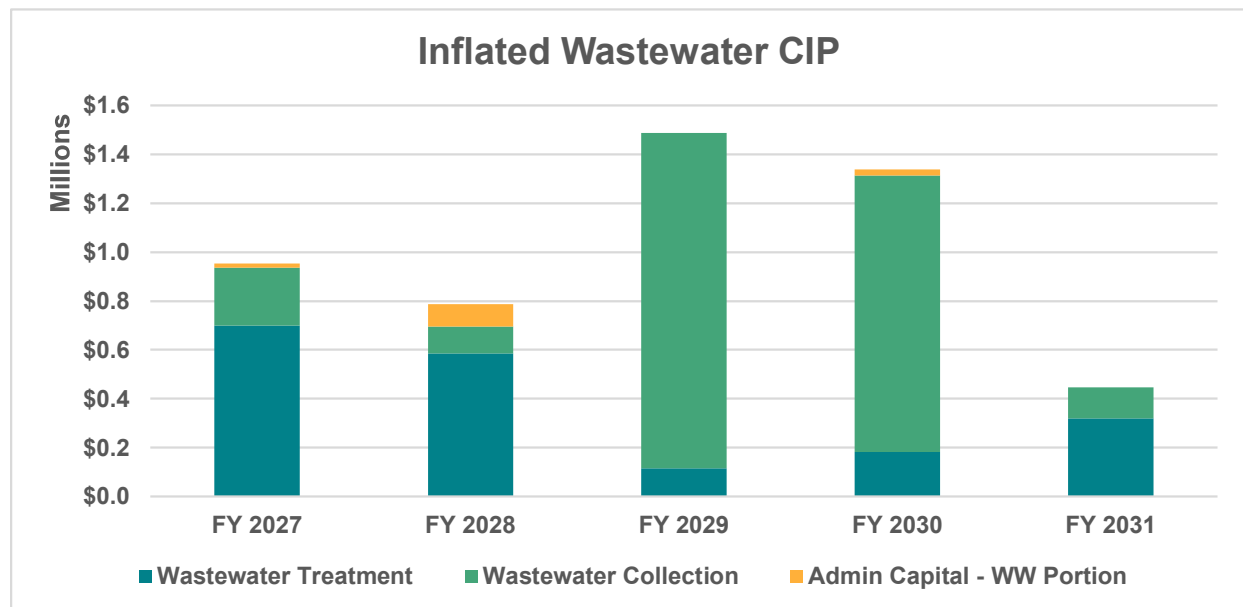
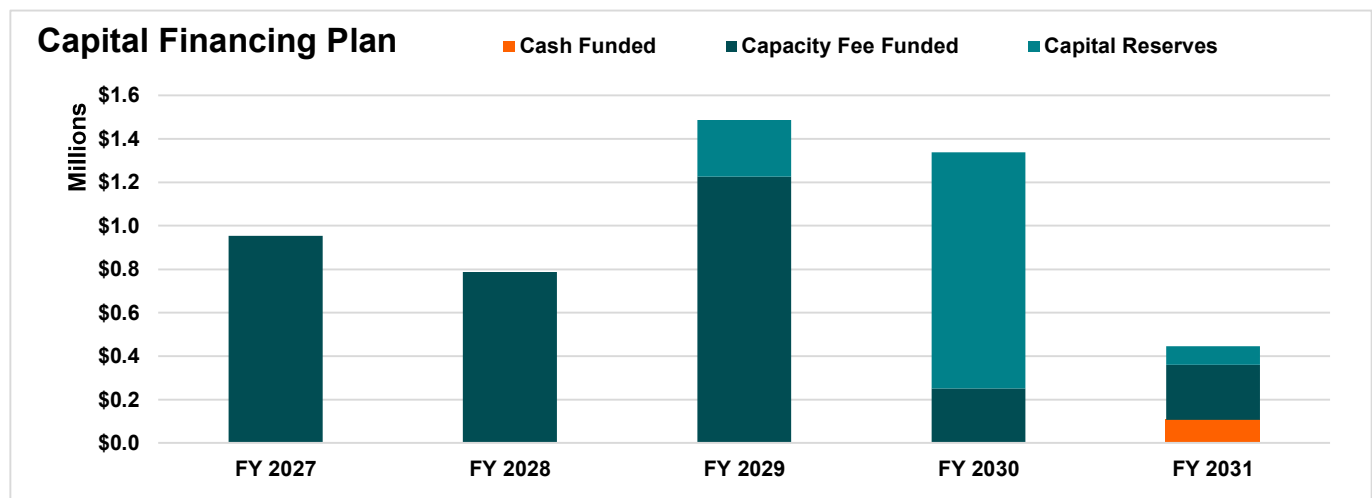
Figure 1-1: Wastewater Capital Improvement Plan**Figure 1-2: Wastewater CIP Funding Sources**

Figure 1-3 shows the proposed versus status quo Wastewater Enterprise operating financial plan. Revenues under the proposed operating financial plan and status quo operating financial plan are represented by the dashed black and solid black lines, respectively. Revenue requirements including O&M expenses, debt service, and capital projects are represented by the various stacked bars. Capital projects through FY 2030 are funded by capital reserves and capacity fees. In FY 2031, a portion of the capital projects are funded by rate revenues. Revenue adjustments are recommended to generate additional revenue to recover O&M expenses and debt service payments over the study period while maintaining minimum debt coverage and reserve targets.

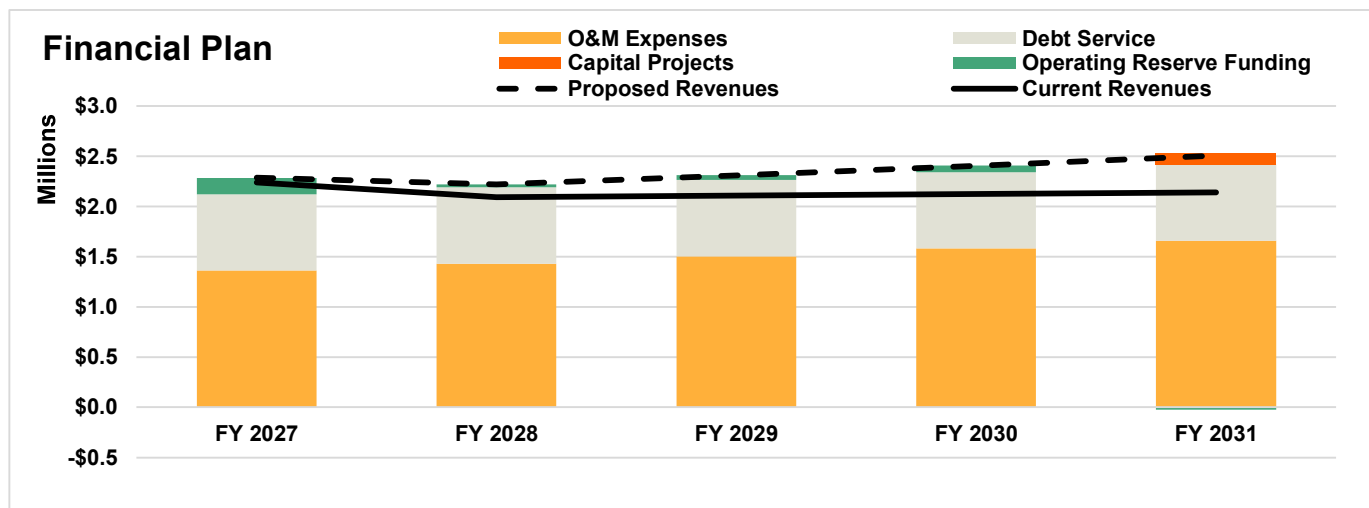
Figure 1-3: Proposed vs. Status Quo Wastewater Operating Financial Plan

Figure 1-4 shows the Wastewater Enterprise's projected fiscal year-ending balance under the proposed financial plan. As a result of increasing revenues to the level shown on Table 1-1, the wastewater fund balance is expected to stay above the minimum level.

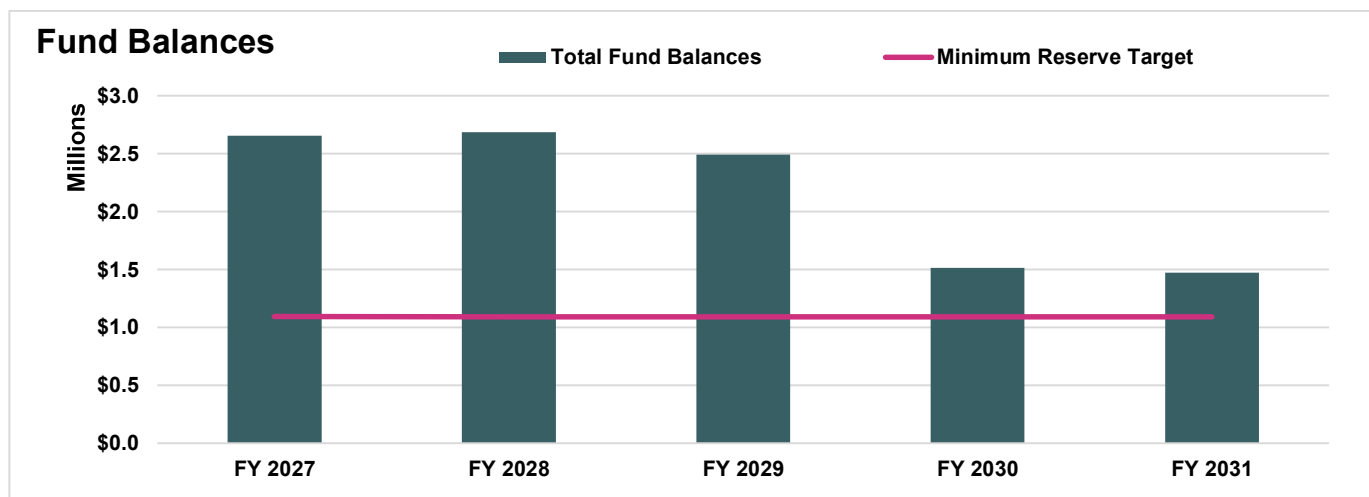
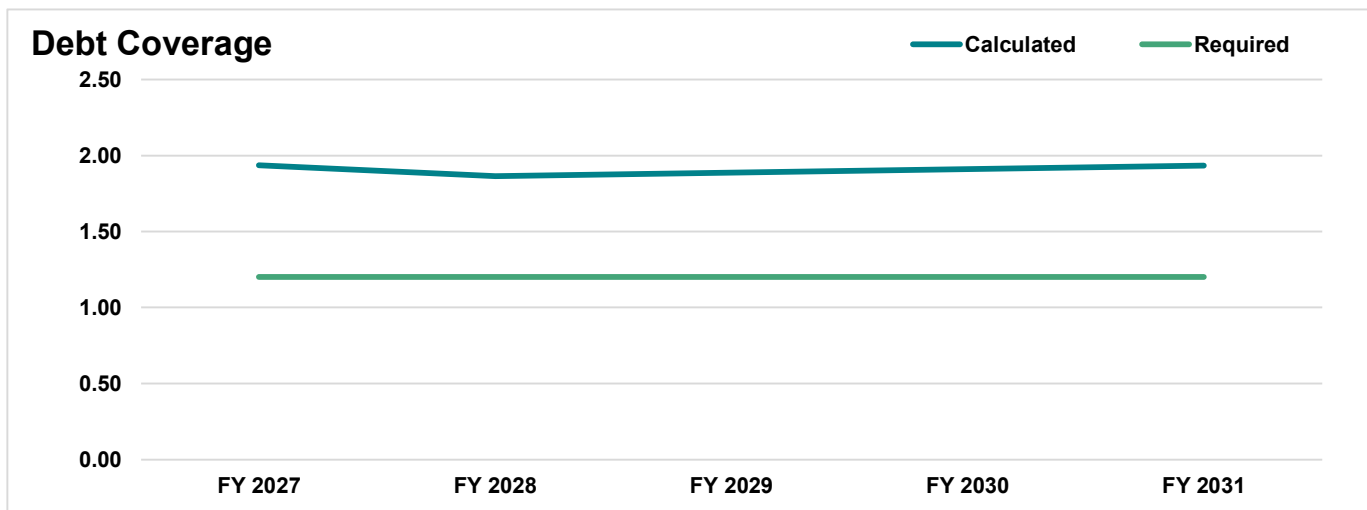
Figure 1-4: Proposed Wastewater Financial Plan – Projected Ending Balance

Figure 1-5 displays the debt service coverage ratio for the existing loan. The proposed revenue adjustments are sufficient to satisfy debt coverage requirements. Failure to meet debt service coverage results in a technical default, which without foreseeable remedial action such as implementing rate increases, could result in a downgrade of credit rating, higher costs in future debt issuance, or a denial of credit. The existing debt is scheduled to be paid off in FY 2034.

Figure 1-5: Proposed Wastewater Financial Plan – Projected Debt Coverage

1.4. Proposed Wastewater Rates

The District's current wastewater rates and charges comprise a fixed monthly charge per dwelling unit (du) and a consumption rate for residential customers and a consumption-only charge for all the remaining customer types. The consumption rate for residential customers is applied to each customer's average winter water consumption. The consumption rate for non-residential customers is applied to the billed water consumption.

Based on discussions with District staff, to meet the goal of simplifying the wastewater billing, the residential rate has been updated to be a flat monthly fee. Non-residential customs will continue to be billed on water consumption subject to a minimum charge. Table 1-2 presents the current and proposed rates.

Table 1-2: Proposed 5-Year Monthly Wastewater Service Charge Schedule

Customer Class	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Effective Date		1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031
Single Family Residential						
Fixed Charge, \$/mo/dwelling unit	\$95.93	\$125.30	\$129.69	\$134.23	\$138.93	\$143.80
Variable, \$/hcf	\$5.64	--	--	--	--	--
Multi Family Residential						
Fixed Charge, \$/mo/dwelling unit	\$72.98	\$81.80	\$84.67	\$87.64	\$90.71	\$93.89
Variable, \$/hcf	\$5.64	--	--	--	--	--
Commercial & Industrial (1)						
Cottages, Motels, Trailer Parks, Laundries, etc.	\$9.20/hcf	\$19.81/hcf	\$20.51/hcf	\$21.23/hcf	\$21.98/hcf	\$22.75/hcf
Commercial and Industrial	\$12.14/hcf	\$50.00/hcf	\$51.75/hcf	\$53.57/hcf	\$55.45/hcf	\$57.40/hcf
Minimum Charge, \$/mo	--	\$34.60	\$35.82	\$37.08	\$38.38	\$39.73

(1) Subject to a minimum charge.

2. Rate Setting Methodology

This study was conducted using industry-standard principles outlined by the Water Environment Federation Manual of Practice No. 27. The process and approach Raftelis utilized in the study to determine wastewater rates is informed by the District's policy objectives, the current wastewater system and rates, and the legal requirements in California (namely, Proposition 218). The resulting financial plan, cost-of-service analysis, and rate design process follows five key steps, outlined below, to determine proposed rates that fulfill the District's objectives, meet industry standards, and align with relevant regulations.

- **Financial Plan - Projections:** The first step is to develop a multi-year financial plan that projects the District's revenues, expenses, capital project financing, annual debt service, and reserve funding. The financial plan is used to determine the revenue adjustment, which allows the District to recover adequate revenues to fund expenses and reserves.
- **Financial Plan - Revenue Requirement Determination:** After completing the financial plan, the rate-making process begins by determining the revenue requirement for the test year, also known as the rate-setting year. The test year for this study is FY 2027. The revenue requirement should sufficiently fund the District's operating costs, annual debt service (including coverage requirements), capital expenditures, and reserve funding as projected based on the annual budget estimates.
- **Cost-of Service-Analysis:** The annual cost of providing wastewater service, or the revenue requirement, is then distributed to customer classes commensurate with their use of and burden on the wastewater system. A cost-of-service analysis involves the following steps:
 - Functionalize costs – the different components of the revenue requirement are categorized into functions such as collection, treatment, customer service, etc.
 - Allocate to cost causation components – the functionalized costs are then allocated to cost causation components such as collection, treatment, customer service, etc. for wastewater.
 - Develop unit costs – unit costs for each cost causation component are determined using units of service, such as total flow, strength, number of customers, etc., for each component.
 - Distribute cost components – the cost components are allocated to each customer class using the unit costs in proportion to their units of service (demand and burden on the system).
- **Rate Design:** After allocating the revenue requirement to each customer class, the project team designs and calculates rates. Rates do more than simply recover costs; within the legal framework and industry standards, properly designed rates should support and optimize the District's policy

objectives. Rates also act as a public information tool in communicating these policy objectives to customers. This process also includes a rate impact analysis and sample customer bill impacts.

- **Report Preparation and Rate Adoption:** The final step in a rate study is to develop the report in conjunction with the rate adoption process. The report documents the study results and presents the methodologies, rationale, justifications, and calculations used to determine the proposed rates.

Values shown in report tables and figures are rounded to the digit shown. Therefore, any manual reproduction of the calculations shown may not match the precise results displayed in the report.

3. Wastewater Financial Plan

3.1. Wastewater Assumptions

Various types of assumptions and inputs were incorporated into this study. These assumptions were based on discussion with and/or direction from District staff, including projected accounts and annual growth rates in accounts, inflationary assumptions, and other miscellaneous assumptions. Table 3-1 presents the inflationary assumptions for the study period. Additionally, the financial plan uses 2 percent per year for interest earned on fund balances.

Table 3-1: Inflation Factor Assumptions

Line Item	FY 2028	FY 2029	FY 2030	FY 2031
General	3.0%	3.0%	3.0%	3.0%
Salary	3.0%	3.0%	3.0%	3.0%
Benefits	6.0%	6.0%	6.0%	6.0%
Utilities	4.0%	4.0%	4.0%	4.0%
Capital	5.0%	5.0%	5.0%	5.0%
Chemicals	4.0%	4.0%	4.0%	4.0%

Based on District staff information on planned additions to the sewer customer base, 10 new single family units a year are added through FY 2031. Average per account water demand is expected to remain constant.

3.2. Wastewater Financial Plan

3.2.1. Projected Revenue

The District's wastewater rates and charges comprise a fixed monthly charge per dwelling unit (du) for residential customers and a consumption charge for all customer types, as shown in Table 3-2. The consumption rate for residential customers is applied to each customer's average winter water consumption. The consumption rate for non-residential customers is applied to the billed water consumption.

Table 3-2: Current Wastewater Charges

Customer Class	Fixed Charge, \$/mo/du	Consumption, \$/hcf
Single Family Residential	\$95.93	\$5.64*
Multifamily Residential	\$72.98	\$5.64*
Cottages, Motels, Trailer Parks, Laundries, etc.	--	\$9.20
Commercial and Industrial	--	\$12.14

* applied to average winter consumption

Table 3-3 presents the projected revenues under the existing rates plus other revenue and interest income.

Table 3-3: Projected Revenues Under Existing Rates

Line Item	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue from Current Rates	\$1,990,059	\$2,004,879	\$2,019,724	\$2,034,593	\$2,049,488
Other Revenue	\$237,481	\$72,581	\$72,581	\$72,581	\$72,581
Interest Income	\$12,561	\$12,947	\$10,949	\$8,146	\$3,396
Total Revenues	\$2,240,101	\$2,090,407	\$2,103,253	\$2,115,320	\$2,125,465

3.2.2. Projected Operating and Maintenance Expense

Table 3-4 displays total projected expenses for the study period. Increases in expenses are projected to average about 5 percent per year over the study-setting period.

Table 3-4: O&M Expenses for FY 2027 – FY 2031

Line Item	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Cost of Goods(1)	\$869,400	\$901,965	\$935,896	\$971,257	\$1,008,116
Operational Expenses	\$553,900	\$571,137	\$588,916	\$607,254	\$626,169
Non-Operating Expenses	-\$62,200	-\$62,200	-\$62,200	-\$62,200	-\$62,200
Total	\$1,361,100	\$1,410,902	\$1,462,612	\$1,516,311	\$1,572,085

(1) Includes salaries and benefits.

3.2.3. Projected Capital Improvement Program

Table 3-5 presents the District's wastewater capital improvement program. The program averages approximately \$1 million per year over the study period. Detailed projects are shown in Appendix A.

Table 3-5: Capital Expenses for FY 2027 – FY 2031

Line Item	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Wastewater Treatment	\$698,250	\$584,325	\$115,763	\$182,326	\$319,070
Wastewater Collection	\$238,350	\$110,250	\$1,371,786	\$1,130,421	\$127,628
Admin Capital - WW Portion	\$17,640	\$92,610	\$0	\$25,526	\$0
Total	\$954,240	\$787,185	\$1,487,548	\$1,338,272	\$446,699

3.2.4. Existing and Proposed Debt Service

The District currently has a State Revolving Fund loan with annual debt service during the study period, as shown in Table 3-6. Raftelis does not propose any new debt service for the wastewater enterprise during the study period.

Table 3-6: Existing Debt Service

Line Item	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Principal	\$618,900	\$634,991	\$651,501	\$668,440	\$685,819
Interest	\$86,815	\$76,913	\$66,753	\$56,329	\$45,634
Service Charge	\$54,260	\$48,071	\$41,721	\$35,206	\$28,521
Total	\$759,975	\$759,975	\$759,975	\$759,975	\$759,975

3.2.5. Reserve Targets

The District has several reserve funds, which are shown in Table 3-7, along with the minimum. This list does not include restricted debt service reserves, capacity fund reserves, and CalPERS reserves. The operating-related (i.e., not capital improvement) minimum targets shown are presumed to be split 65 percent to the water enterprise and 35 percent to the wastewater enterprise based on input from District staff. The capital target for planning purposes is the maximum of 50 percent of the 5-year average wastewater capital program or \$500,000.

Table 3-7: Reserve Funds and Combined Minimum Targets

Fund	Target
Capital Improvement (1)	Max of 50% of the 5-year average CIP or \$500,000.
Rate Stabilization	Target minimum balance \$125,000.
Drought Contingency	Target minimum balance of \$250,000.
Emergency	Target minimum balance of \$500,000.
Vehicle	Depreciation plus Board authorized additions.
Office & Misc. Equip	Depreciation plus Board authorized additions.

(1) Based on discussions with District staff. Board policy minimum is currently 2 years of CIP.

3.2.6. Proposed Overall Revenue Adjustments

To ensure that the District will have adequate revenues to fund operating expenses, capital expenditures, meet debt coverage requirements, and meet minimum reserve levels, Raftelis recommends the following

wastewater revenue adjustments (Table 3-8). A detailed discussion of the proposed wastewater financial plan is presented in the following subsection.

Table 3-8: Proposed Wastewater Revenue Adjustments

Effective Date	Revenue Adjustment
1-Jan-27	3.5%
1-Jan-28	3.5%
1-Jan-29	3.5%
1-Jan-30	3.5%
1-Jan-31	3.5%

3.2.7. Proposed Financial Plan

To not deplete reserves below minimum levels, prepare for future capital outside the study period, and to make sure debt coverage does not fall below minimum requirements, the revenue adjustments as shown in Table 3-8 will help minimize larger increases later. The next four figures graphically display the effects of the proposed revenue adjustments on the District's financial position.

Figure 3-1 displays the debt service coverage for the existing loan under proposed revenue adjustments. The proposed revenue adjustments level out the coverage and are sufficient to satisfy debt coverage requirements.

Figure 3-1: Projected Debt Coverage

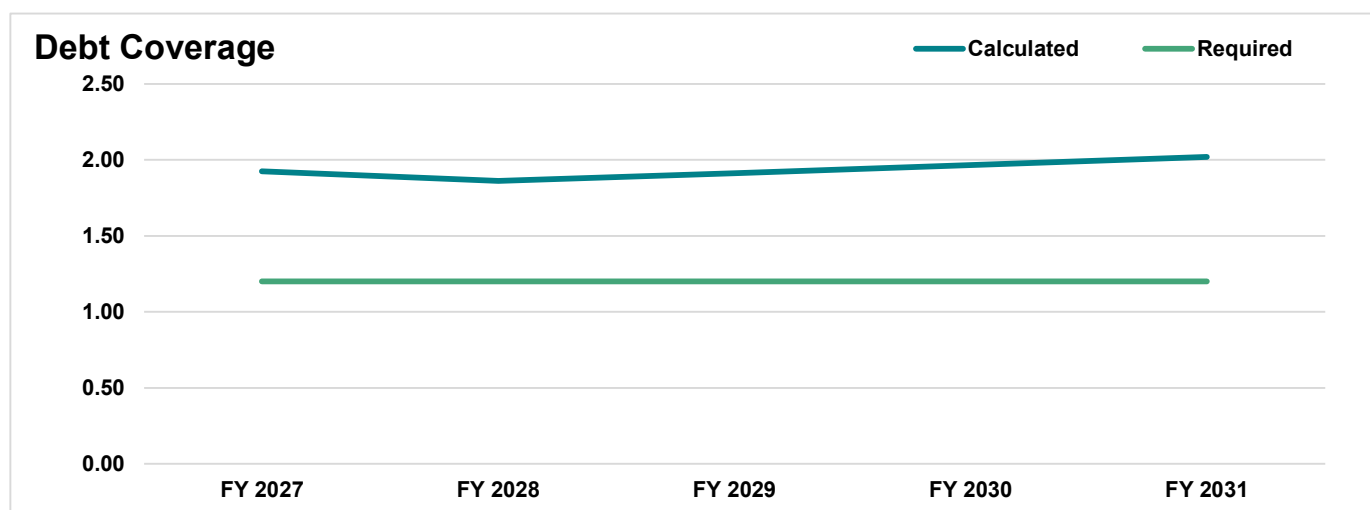


Figure 3-2 displays the proposed operating financial plan. The dashed black line displays the proposed revenues, and the solid black line shows projected revenues under existing rates. The green bars show when funds are added to the operating fund ending balance (above the \$0 line) or reserves are drawn down (below

the \$0 line). Capital projects are funded through capital reserves and capacity fees, though rate revenue is needed starting in FY 2031 to help cover capital costs.

Figure 3-2: Proposed Operating Financial Plan

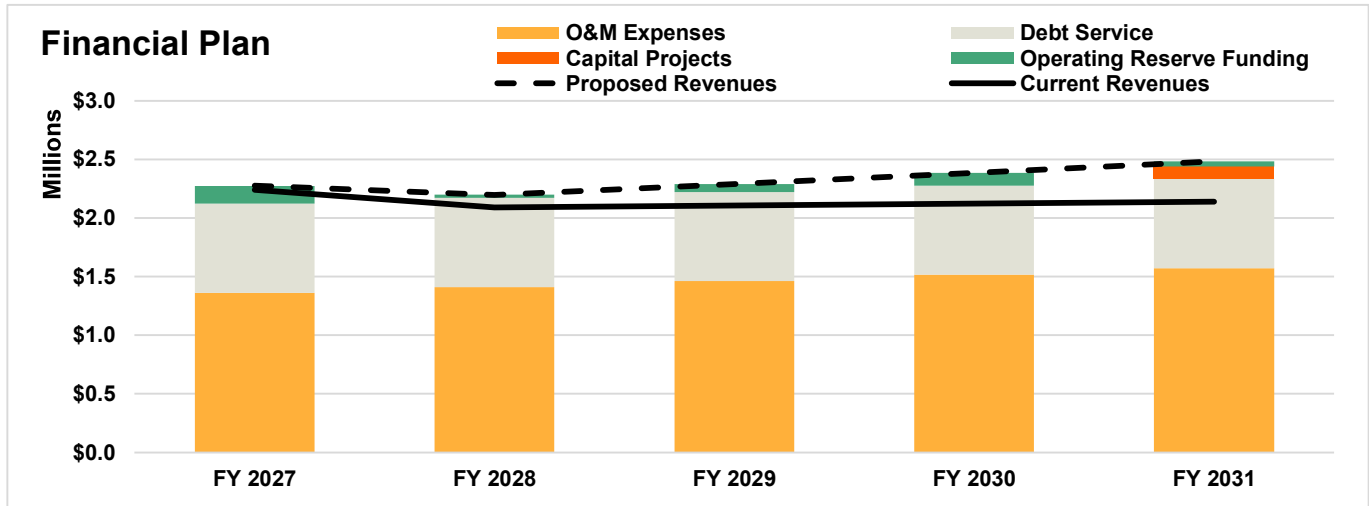


Figure 3-3 displays the capital improvement plan through the study period.

Figure 3-3: Proposed Capital Expenditures

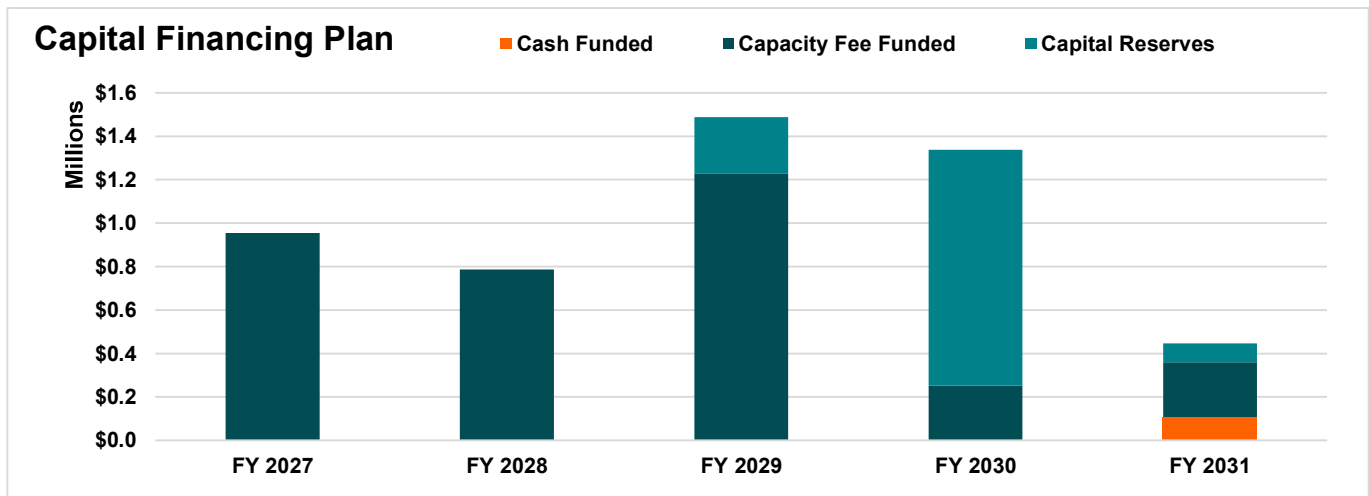


Figure 3-4 displays the projected wastewater fund balance (operating and capital combined). As a result of increasing revenues to the level shown on Figure 3-2, the wastewater fund balance is drawn down but remains above minimum levels through the planning period.

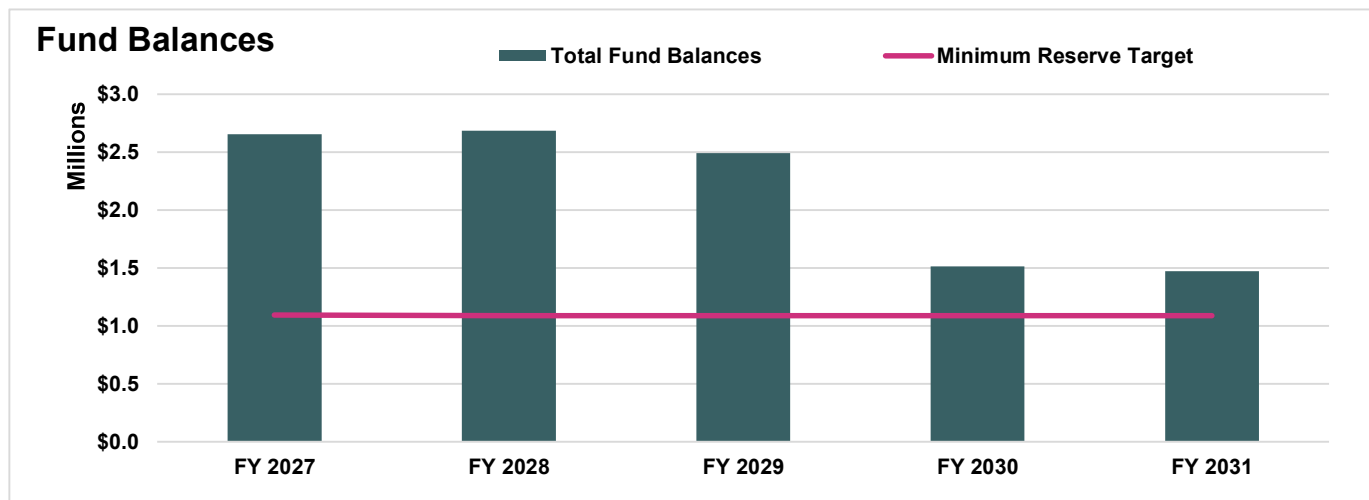
Figure 3-4: Proposed Wastewater Fund Balance

Table 3-9 below displays the projected pro forma cashflow for the wastewater enterprise. The Net Revenues line shows that the proposed revenue, including the proposed revenue adjustments, is sufficient to cover annual operating expenses through the financial planning period. The Annual Surplus (Deficit) line shows the draws on or additions to the operating fund after debt service and capital expenditures.

Table 3-9: Proposed Wastewater Proforma

Line Item	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Beginning Operating Balance	\$568,546	\$722,750	\$750,551	\$817,669	\$926,674
Revenues					
Under Existing Rates	\$1,990,059	\$2,004,879	\$2,019,724	\$2,034,593	\$2,049,488
Proposed Revenue Adjustments	\$34,826	\$106,484	\$181,717	\$260,673	\$343,504
Other Revenues	\$237,481	\$72,581	\$72,581	\$72,581	\$72,581
Interest Income	\$12,913	\$14,733	\$15,682	\$17,443	\$18,984
Total Revenue	\$2,275,279	\$2,198,677	\$2,289,704	\$2,385,291	\$2,484,558
Operating Expenses					
Cost of Goods	\$869,400	\$901,965	\$935,896	\$971,257	\$1,008,116
Operational Expenses	\$553,900	\$571,137	\$588,916	\$607,254	\$626,169
Other	-\$62,200	-\$62,200	-\$62,200	-\$62,200	-\$62,200
Total Operating	\$1,361,100	\$1,410,902	\$1,462,612	\$1,516,311	\$1,572,085
Net Revenues	\$914,179	\$787,775	\$827,092	\$868,980	\$912,472
Debt Service					
Existing	\$759,975	\$759,975	\$759,975	\$759,975	\$759,975
Proposed	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$759,975	\$759,975	\$759,975	\$759,975	\$759,975
Rate Funded CIP	\$0	\$0	\$0	\$0	\$107,419
Annual Surplus (Deficit)	\$154,204	\$27,800	\$67,118	\$109,005	\$45,079
Ending Operating Balance	\$722,750	\$750,551	\$817,669	\$926,674	\$971,753
Minimum Operating Reserve Target	\$591,499	\$591,499	\$591,499	\$591,499	\$591,499
Debt Coverage	1.92	1.86	1.91	1.97	2.02

Table 3-10 shows the proposed sources and uses of capital funds for the wastewater enterprise.

Table 3-10: Proposed Wastewater Capital Sources & Uses of Funds

Line Item	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Beginning Capital Balance	\$1,932,641	\$1,932,641	\$1,932,641	\$1,672,552	\$586,780
Sources of Funds					
Rate Funded	\$0	\$0	\$0	\$0	\$107,419
Capacity Fees	\$954,240	\$787,185	\$1,227,459	\$252,500	\$252,500
Debt Funded	\$0	\$0	\$0	\$0	\$0
Total Sources	\$954,240	\$787,185	\$1,227,459	\$252,500	\$359,919
Uses of Funds					
Capital	\$954,240	\$787,185	\$1,487,548	\$1,338,272	\$446,699
Total Uses	\$954,240	\$787,185	\$1,487,548	\$1,338,272	\$446,699
Ending Capital Balance	\$1,932,641	\$1,932,641	\$1,672,552	\$586,780	\$500,000
<i>Minimum Capital Reserve Target</i>	<i>\$501,394</i>	<i>\$500,000</i>	<i>\$500,000</i>	<i>\$500,000</i>	<i>\$500,000</i>

4. Wastewater Cost-of-Service and Proposed Wastewater Rates

The total revenue requirement is, by definition, the net cost of providing service. This cost-of-service is then used as the basis to develop unit rates for the wastewater parameters and to allocate costs to the various user classes. The concept of proportionate allocation to user classes implies that allocations should take into consideration the quantity of wastewater a user contributes as well as the strength (i.e., treatment requirements) of the wastewater.

The cost-of-service analysis and rate calculations consist of the following steps:

1. Determination of the total costs to be recovered from rates (cost-of-service)
2. Determination of the wastewater loadings for each customer class, to ensure costs are allocated to each class proportionately
3. Allocation of the cost-of-service to the loading parameters- Flow, Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS)
4. Calculation of unit costs for the three parameters and the costs to serve the various user classes based on their loadings
5. Calculation of rates for each user class

This section of the report discusses the allocation of operating and capital costs to the Flow, BOD, and TSS parameters, the determination of unit rates, and the calculation of user class cost responsibility.

In this study, wastewater rates were calculated for FY 2027, and accordingly FY 2027 revenue requirements are used in the cost allocation process.

4.1. Costs of Service to be Allocated

The annual cost-of-service to be recovered from wastewater rates (i.e., revenue requirement) includes O&M expenses (Table 3-4), capital improvement projects covered through reserves (Table 3-10), and debt service (Table 3-6). O&M expenses include costs directly related to the collection, treatment, and disposal of wastewater and maintenance of system facilities.

The total FY 2027 net cost-of-service to be recovered from the City's wastewater users, is shown Line 13 of Table 4-1. The cost-of-service analysis is based on the need to generate revenues adequate to meet this estimated revenue requirement. As part of the cost-of-service analysis, revenues from sources other than wastewater rates and charges are deducted from the appropriate cost elements (Line 8). Adjustments are also made for transfers to/from reserves (Lines 9 and 10) and for the rate being implemented halfway through the fiscal year (Line 11).

Table 4-1: Allocation of Wastewater Revenue Requirements, Test Year

No.	Line Item	Operating	Capital-Related	Total
Revenue Requirements				
1	O&M Expenses	\$1,361,100		\$1,361,100
2	Debt Service		\$759,975	\$759,975
3	Capital Reserve Funded CIP		\$954,240	\$954,240
4	Total - Revenue Requirements	\$1,361,100	\$1,714,215	\$3,075,315
Revenue Offsets				
5	Other Revenue	-\$83,700		-\$83,700
6	Other Operating/ Non-Operating Revenue	-\$153,781		-\$153,781
7	Interest Income	-\$12,913		-\$12,913
8	Total - Revenue Offsets	-\$250,394	\$0	-\$250,394
Adjustments				
9	Adjustment for Cash Balance	\$154,204		\$154,204
10	Adjustment for Cash Balance-Capital		-\$954,240	-\$954,240
11	Adjustment to Annualize Rate Increase	\$34,826		\$34,826
12	Total - Adjustments	\$189,030	-\$954,240	-\$765,210
13	Total Revenue to be Recovered from Rates	\$1,299,736	\$759,975	\$2,059,711

To allocate the cost-of-service to the various user classes in proportion to their flow and strength contributions, costs first need to be allocated to selected wastewater cost causation parameters. The following subsection describes the allocation of the operating and capital cost-of-service amounts to the parameters of Flow, BOD (biological oxygen demand), and TSS (total suspended solids).

4.2. Cost Allocation to Wastewater Cost Causation Parameters

The cost-of-service allocations in this study are based on Raftelis' experience with wastewater treatment plants and are consistent with the revenue program guidelines of the Water Environment Federation.

The three main cost causation parameters are Flow, BOD, and TSS. BOD and TSS constitute the strength components of the wastewater discharge. Additional parameters include infiltration and inflow, customers,

and laterals. Costs are assigned based on the parameters that dictate the design of each process. The allocation of costs to the three main parameters involves:

1. Detailed breakdown and functionalization of O&M costs.
2. Itemization of capital costs by functions such as collection, treatment, outfall, etc.
3. Allocation of the functional costs to the wastewater cost causation parameters.

In the absence of a detailed breakdown of fixed assets by process, the WWTP treatment costs are allocated to flow, BOD, and TSS at 50 percent, 30 percent, and 20 percent, respectively. This allocation is representative of other similar treatment plants and reflects the lower TSS at the District's WWTP. Costs that could not be specifically identified were categorized as general costs. The allocation of O&M functions to cost components is shown in Table 4-2. The allocation of test year O&M costs is shown in Table 4-3. The allocation of wastewater assets is shown in Table 4-4.

Table 4-2: O&M Cost Category Allocations

Functional Allocation	Rationale	Flow	BOD	TSS	Billing	General	Total
Collection	Flow	100.0%					100.0%
Treatment	Flow & Strength	50.0%	30.0%	20.0%			100.0%
CS/Billing	CS/Billing				100.0%		100.0%
G&A						100.0%	100.0%

Note: CS = customer service

Table 4-3: O&M Allocation, Test Year

Functional Allocation	Flow	BOD	TSS	Billing	General	Total
Collection	\$480,020	\$0	\$0	\$0	\$0	\$480,020
Treatment	\$400,180	\$240,108	\$160,072	\$0	\$0	\$800,360
Customer Service/Billing	\$0	\$0	\$0	\$80,720	\$0	\$80,720
G&A	\$0	\$0	\$0	\$0	\$0	\$0
	\$880,200	\$240,108	\$160,072	\$80,720	\$0	\$1,361,100

Table 4-4: Asset Allocations

Functional Allocation	Rationale	Flow	BOD	TSS	General	Total
Buildings	G&A	\$0	\$0	\$0	\$505,826	\$505,826
Collection	Collection	\$600,266	\$0	\$0	\$0	\$600,266
Treatment	Treatment	\$7,033,768	\$4,220,261	\$2,813,507	\$0	\$14,067,537
Land	General	\$0	\$0	\$0	\$414,510	\$414,510
Mach&Equip	General	\$0	\$0	\$0	\$100,865	\$100,865
CS/Billing	Billing	\$0	\$0	\$0	\$0	\$0
ForceMain/LiftStation	Flow	\$224,780	\$0	\$0	\$0	\$224,780
G&A	General	\$0	\$0	\$0	\$16,186	\$16,186
Total		\$7,858,815	\$4,220,261	\$2,813,507	\$1,037,387	\$15,929,970
Percent Allocation		49.3%	26.5%	17.7%	6.5%	100.0%

4.3. Mass Balance Analysis

The next step of the wastewater cost-of-service analysis is to attribute flow and strength loadings entering the District's wastewater treatment plant to various user classifications. This is necessary to reasonably allocate the Flow, BOD, TSS and customer cost causation components to each customer class for recovery through the proposed wastewater rates.

Since wastewater flows and strengths are not directly measured for every customer, a mass balance is performed on calendar year 2025 data to estimate and validate the wastewater loadings (flow and strength) generated by the residential class. This analysis results in establishing flow and strength loadings to each customer class, which are then applied to the test year cost-of-service analysis. Key inputs and assumptions include:

- While wastewater discharged into sewers for most customers is not metered when it enters the wastewater system, the total amount of flow and strength entering the treatment plant and treated every day is a measured quantity. The influent wastewater flow is metered at the headworks and measured strengths based on monthly laboratory samples for calendar year 2025 were provided by the District.
- Non-residential metered customer calendar year 2025 water use provided by the District.
- The strength of different types of non-residential customers is based on data from the Wastewater Flow and Load Study – Summary Report, June 2025, by Carollo.
- Residual plant influent is attributable to residential classes' wastewater generation, which is the difference between net plant influent minus infiltration and inflow and estimated wastewater generation from all non-residential sources is residential wastewater flow. After applying all residual

wastewater generation to residential customers, Raftelis estimates that the residential wastewater discharge factor for the District's wastewater service is approximately 50 gallons per capita per day (gpcd). The flow is close to the former state standard of 50 gpcd. The estimated residential strength concentration is 165 and 56 milligrams per liter (mg/L) of BOD and TSS, respectively. The District's treatment plant data shows lower than average BOD and TSS concentrations.

Table 4-5 shows the calculation of the units of service for residential and non-residential customers using the method described above for calendar year 2025.

Table 4-5: Mass Balance Calendar Year 2025

Line Item	Water Use (hcf)	Return Factor	WW Flow (hcf/yr)	BOD (lbs/yr)	TSS (lbs/yr)	BOD (mg/l)	TSS (mg/l)
Total Plant Influent			81,434	87,372	31,273	172	62
Estimated I/I			814	508	508	100	100
Net Plant			80,620	86,863	30,765		
Non-Residential							
Cottages, Motels, Trailer Parks, Laundries, etc	1,110	85%	944	401	471	68	80
Commercial and Industrial	1,680	85%	1,428	6,017	2,871	675	322
Total Non-Residential	2,790		2,372	6,418	3,342		
Residential	<i>Estimated</i>						
Single Family	129,648	60%	77,789	79,972	27,262	165	56
Multi-Family	766	60%	460	473	161	165	56
Total Residential	130,414		78,249	80,445	27,423		

4.4. Unit Cost of Service

The next step of the cost-of-service analysis is to calculate unit costs for Flow, BOD, and TSS for the test year. The unit costs of service are developed by dividing the total annual costs allocated to each parameter by the total annual units for each parameter. The return to sewer factors and strength concentrations from the mass balance are applied to test year information to develop the units of-service for FY 2027.

The residential and non-residential wastewater loadings are used in Table 4-6 to develop the FY 2027 units of service based on estimated test year flows. Note that the multifamily customer has recently gone away.

Table 4-6: Units of Service, Test Year

Customer Class	Water Use (hcf)	WW Flow (hcf)	BOD (lb/yr)	TSS (lb/yr)	Accounts or dwelling units	Bills
Residential WW						
Single Family Residential	130,333	78,200	80,389	27,404	1,332	15,984
Multi-Family Residential (dwelling units)	0	0	0	0	0	0
Cottages, Motels, Trailer Parks, Laundries, etc	378	321	136	160	2	24
Commercial and Industrial	998	849	3,576	1,706	8	96

These units of service are then used in Table 4-7 to determine the unit costs (Line 9) for each of the wastewater parameters. These unit costs are then used along with the loadings to develop the cost to be collected from the different customer classes. Note that general costs are reallocated based on the proportions of the other costs.

Table 4-7: Development of Unit Costs

No.	Revenue Requirement	WW Flow	BOD	TSS	Billing	General	Total
1	Net Operating Revenue Requirement	\$840,517	\$229,283	\$152,855	\$77,081	\$0	\$1,299,736
2	Net Capital Revenue Requirement	\$374,922	\$201,337	\$134,225	\$0	\$49,491	\$759,975
3	Total - Cost of Service	\$1,215,439	\$430,620	\$287,080	\$77,081	\$49,491	\$2,059,711
4	Allocation of General Costs - Operating	\$0	\$0	\$0	\$0	\$0	\$0
5	Allocation of General Costs - Capital	\$26,116	\$14,025	\$9,350	\$0	-\$49,491	\$0
6	Total - Adjusted Cost of Service	\$1,241,556	\$444,645	\$296,430	\$77,081	\$0	\$2,059,711
7	Units of Service	79,369	84,101	29,270	16,104		
8	Units	hcf/yr	lb/yr	lb/yr	bills/yr		
9	Unit Cost	\$15.64	\$5.29	\$10.13	\$4.79		
10		per hcf	per lb	per lb	per bill		

5. Wastewater Rate Derivation

5.1. Proposed Rates

Based on District staff direction, Raftelis has developed a new flat, monthly rate structure for residential customers. Since the District currently doesn't have a multifamily customer but has in the past, Raftelis has used a density analysis to develop a relationship between the single family rate and the multifamily rate for future multifamily customers. Based on data from the 5-year American Community Survey for 2011 for the Sunnyslope CDP (the most recent data available), multifamily residences are 0.65 the density of single family residences. Density for residential use categories means the number of persons per dwelling unit.

Non-residential customers will continue to be charged based on billed water consumption, subject to a minimum monthly charge.

Table 5-1 shows the derivation of each of the customer-class charges. The total costs allocated to single family class is divided by the number of dwelling units and adjusted by the equivalent dwelling unit factor to determine the monthly charge per dwelling unit. The multifamily charge is the single family rate times the density factor. The non-residential customer rates are based on the total allocated cost divided by the total billed water use.

Table 5-1: Wastewater Rate Derivation, Test Year

Customer Class	Flow	Strength	Customer	Total	Dwelling Units	EDU Ratio	\$/EDU/mo	Water Use, hcf	\$/hcf
Single Family	\$1,223,260	\$702,553	\$76,506	\$2,002,319	1,332	1.00	\$125.30		
Multifamily	\$0	\$0	\$0	\$0	0	0.65	\$81.80		
Cottages, Motels, Trailer Parks, Laundries, etc. (1)	\$5,022	\$2,344	\$115	\$7,481				378	\$19.81
Commercial and Industrial (1)	\$13,274	\$36,178	\$459	\$49,911				998	\$50.00

(1) Subject to a minimum charge.

The costs captured in the Customer component above do not capture all the fixed costs associated with a wastewater system. Most of the collectors in the street are sized for maintenance, and system sizing represents a fixed cost for having capacity available whether a parcel contributes flows or not. To ensure fairness in rates with costs incurred, a minimum charge has been developed based on the collection-related operating expenses (Table 4-3) and the billing costs (Table 4-7), as shown in Table 5-2.

Table 5-2: Minimum Charge Derivation, Test Year

Minimum Charge	Cost
Collection O&M	\$480,020
Customer Costs	\$77,081
Total	\$557,101
# Bills	16,104
\$/mo	\$34.59

Table 5-3 shows the proposed wastewater rates for the next five years. Rates are adjusted by the cost-of-service for FY 2027 and then by the revenue adjustments (starting in FY 2028) on July 1 of each fiscal year through the study period.

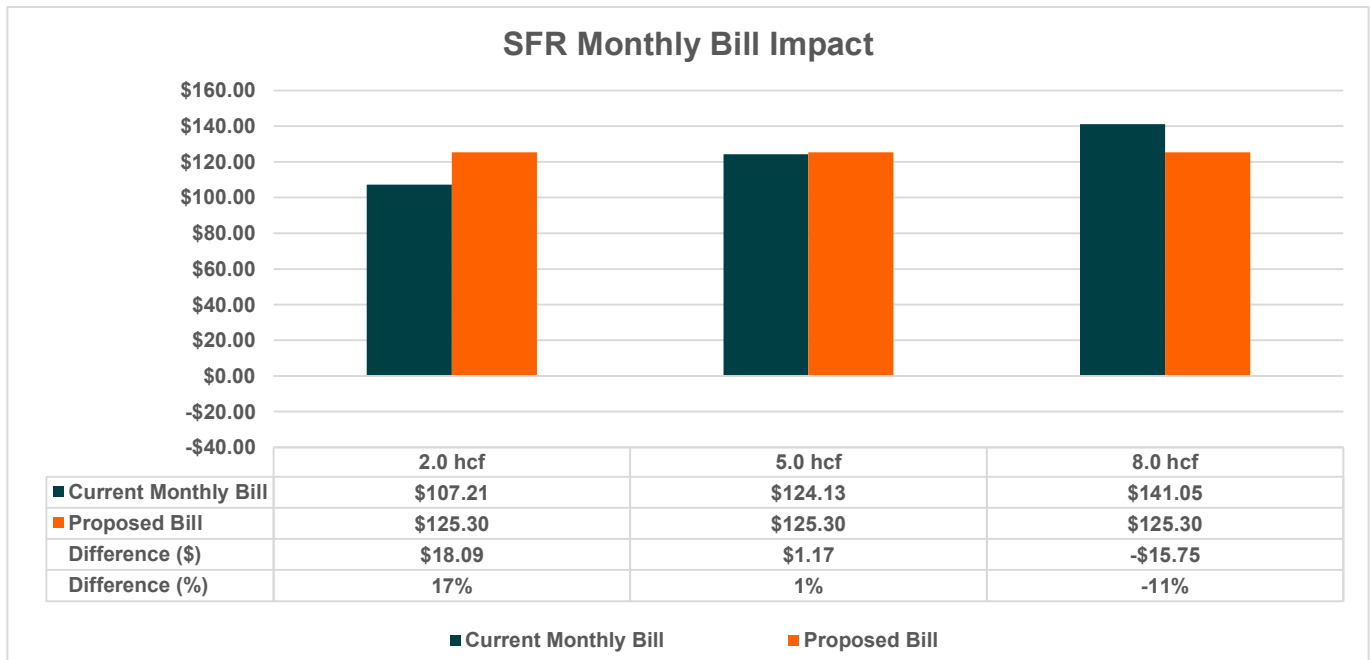
Table 5-3: Proposed Wastewater Rates

Customer Class	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Effective Date		1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031
Single Family Residential						
Fixed Charge, \$/mo/dwelling unit	\$95.93	\$125.30	\$129.69	\$134.23	\$138.93	\$143.80
Variable, \$/hcf	\$5.64	--	--	--	--	--
Multi Family Residential						
Fixed Charge, \$/mo/dwelling unit	\$72.98	\$81.80	\$84.67	\$87.64	\$90.71	\$93.89
Variable, \$/hcf	\$5.64	--	--	--	--	--
Commercial & Industrial (1)						
Cottages, Motels, Trailer Parks, Laundries, etc.	\$9.20/hcf	\$19.81/hcf	\$20.51/hcf	\$21.23/hcf	\$21.98/hcf	\$22.75/hcf
Commercial and Industrial	\$12.14/hcf	\$50.00/hcf	\$51.75/hcf	\$53.57/hcf	\$55.45/hcf	\$57.40/hcf
Minimum Charge, \$/mo	--	\$34.60	\$35.82	\$37.08	\$38.38	\$39.73

(1) Subject to a minimum charge.

5.2. Wastewater Bill Impacts

Figure 5-1 shows the monthly bill impact of the proposed rates on a residential customer.

Figure 5-1: Residential Wastewater Monthly Rate Impacts at Different Average Winter Usage Amounts

APPENDIX A:

Capital Improvement Program, 5-Years



Capital Improvement Plan	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Wastewater Treatment					
Pond 6 Lift Station Wet Well, Pump, Electrical	\$165,000	\$0	\$0	\$0	\$0
Conduit to DO Sensors at SBR	\$0	\$30,000	\$0	\$0	\$0
Convert Wastewater SCADA from Wonderware to Ignition	\$300,000	\$300,000	\$0	\$0	\$0
New Monitoring Wells	\$200,000	\$200,000	\$100,000	\$0	\$0
Facility Fencing	\$0	\$0	\$0	\$20,000	\$0
SBR Asphalt Sealing	\$0	\$0	\$0	\$65,000	\$0
Paint & Flooring SBR	\$0	\$0	\$0	\$65,000	\$0
Effluent Blending Blue Valve	\$0	\$0	\$0	\$0	\$250,000
Wastewater Collection					
New Airline/Ridgemark Dr. Lift Station (replace Paullus)	\$0	\$0	\$100,000	\$380,000	\$0
Ridgemark Golf Course Sewer Upsizing	\$0	\$0	\$65,000	\$0	\$0
Spot Repairs & CCTV Inspection	\$200,000	\$0	\$0	\$50,000	\$0
Facility Fencing	\$27,000	\$0	\$20,000	\$0	\$0
RM II SCADA/PLC/Electric Panels System Upgrade	\$0	\$100,000	\$0	\$0	\$0
Gravity Sewer from Paullus Lift to Wild Oak Dr	\$0	\$0	\$0	\$0	\$100,000
Main Lift Pump Station Reconstructon- with option to city	\$0	\$0	\$1,000,000	\$500,000	\$0
Lift Station Wet Well Repairs	\$0	\$0	\$0	\$0	\$0
Admin Capital - WW Portion					
Admin Building Roof and Window Replacement	\$0	\$28,000	\$0	\$0	\$0
Replace floor electrical and re-carpet District Office	\$0	\$0	\$0	\$0	\$0
Paint District Office Inside & Outside	\$16,800	\$0	\$0	\$0	\$0
Admin Building Replace HVAC system	\$0	\$0	\$0	\$21,000	\$0
Admin Building Septic System	\$0	\$0	\$0	\$0	\$0
Solar Panel Replacement	\$0	\$0	\$0	\$0	\$0
Vehicle Replacement	\$0	\$0	\$0	\$0	\$0
Vactor Truck	\$0	\$56,000	\$0	\$0	\$0
Total Project Costs - Uninflated	\$908,800	\$714,000	\$1,285,000	\$1,101,000	\$350,000
Total Project Costs - Inflated	\$954,240	\$787,185	\$1,487,548	\$1,338,272	\$446,699

Staff Report

Agenda Item: I-2

DATE: October 21, 2026 (October 27, 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).

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.

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

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.

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.

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)

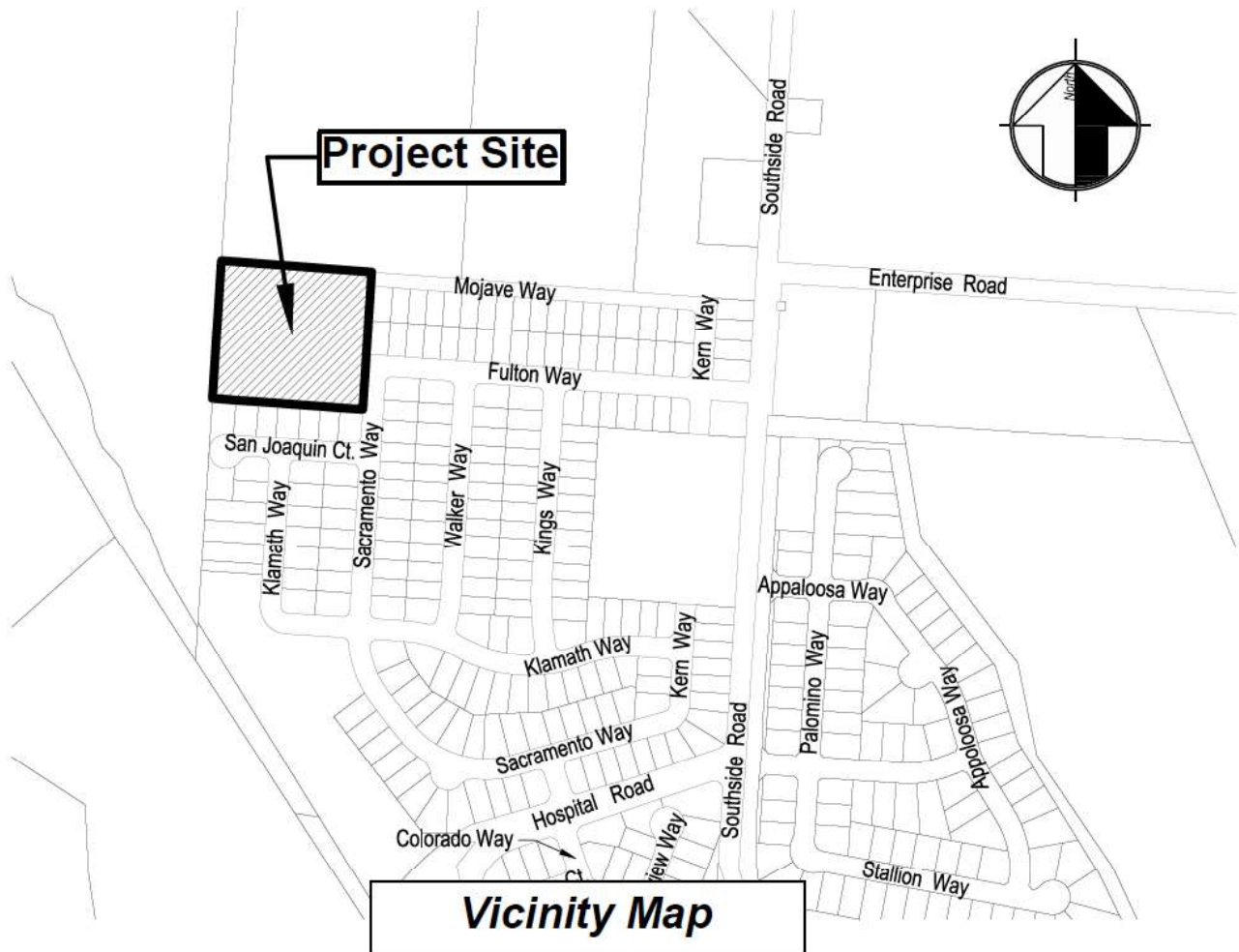
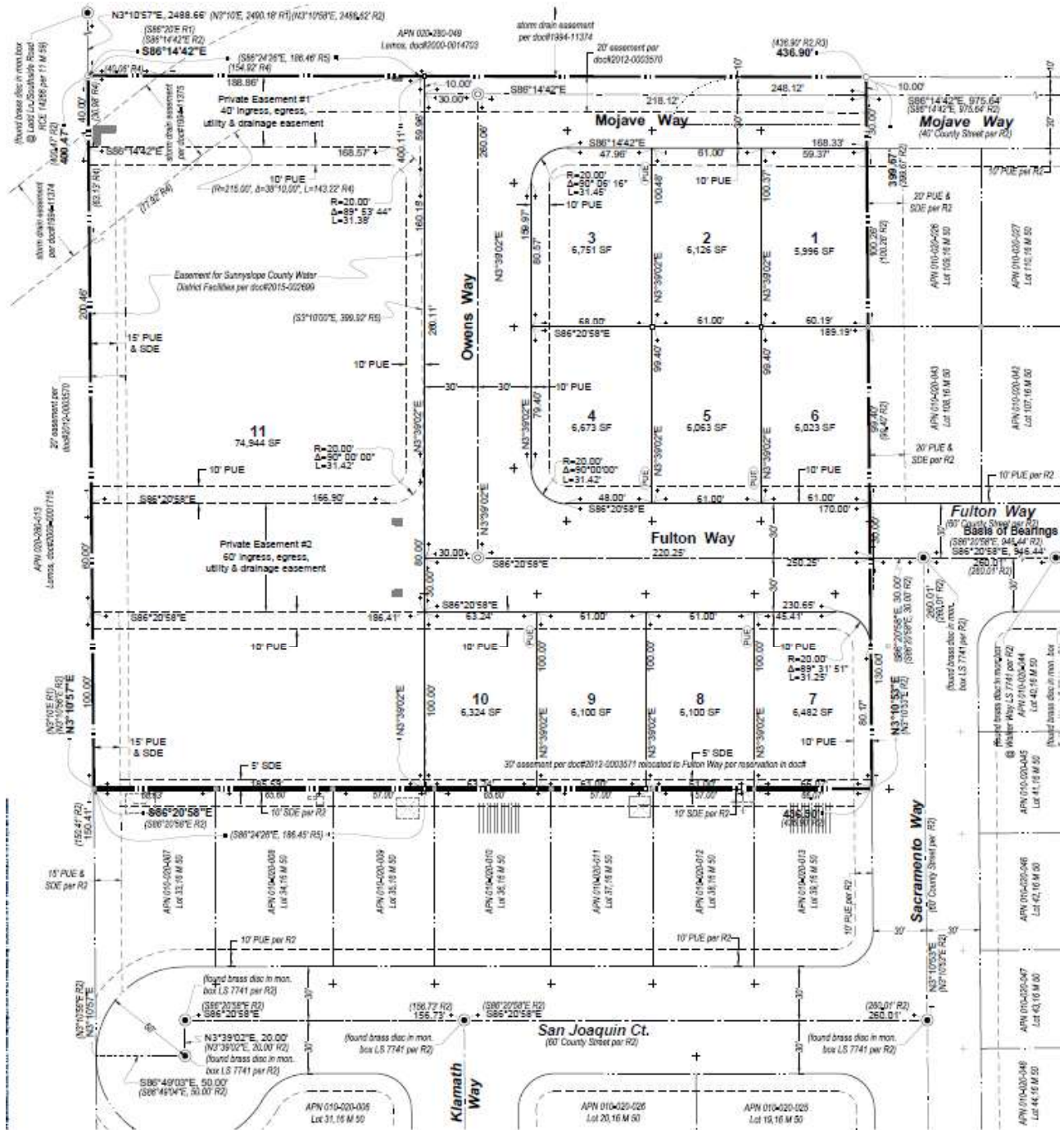


EXHIBIT B (Map of Development)





Board of Directors:

Michael Reeves

President

Robert Connolly

Vice-President

Emily Renzel

Secretary

Tina Jollyschmidt

Treasurer

Lorelei Grubinskas

Gretchen Lester

Belis Etem

Jeff Micko

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

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

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.

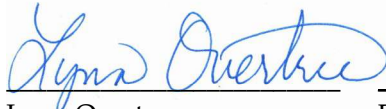


Sound Finances
Ethical Conduct
Responsible Governance
Lasting Stewardship

The Mission of the San Benito Agricultural Land Trust is to conserve regionally significant lands that sustain productive agriculture, preserve open space, and maintain the rural character of the county.

San Benito Agricultural Land Trust

Fulton Mojave Project



10/13/26

Lynn Overtree,
Executive Director

Date

Giano Del Curto

Bylt Construction Company

Date

Staff Report

Agenda Item: I-3

DATE: October 23, 2026 (October 27, 2026 Meeting)

TO: Board of Directors

FROM: General Manager, Drew A. Lander P.E.

SUBJECT: Authorize The District President To Sign Resolution No. 623 Adopting The 2026-27 Salary Schedule As Amended To Comply With CALPERS Statutory And Regulatory Requirements.

RECOMMENDATION:

The Employee and Personnel Committee recommend the board authorize and approve the district President to sign Resolution No. 623 to adopt the Draft 2026-27 salary schedule as required by CALPERS making it effective November 1, 2026.

BACKGROUND:

The last board action adjusting management compensation was completed at the October 2024 board meeting when the board passed a motion to modify Management salary schedules, modify the organizational chart and to align all staff with the health care benefits accepted by the staff represented by the collective bargaining unit.

The Employee and Personnel Committee have met on several occasions to review management compensation and present changes which align salary scales with staff qualifications and duties. The following adjustments are noteworthy:

- Associate Engineering position has been restored to the salary schedule as it was identified that in 2024 this classification was deleted. With the approval of Resolution No. 623 this classification will be restored.
- The Water/Wastewater Superintendent has obtained a certification level which is a significant achievement having achieved a combination of Grade 5 Wastewater, Grade 4 Water Treatment, and Grade 4 Distribution certifications. Since this certification level is extremely valuable to the District but uncommon for any water professional the salary scale remains the same and an incentive of 10% is reflected as a professional certification pay stipend which applies at any salary step that the Superintendent is at without changing the salary scale.
- With the approval of Resolution No. 623 the attached salary schedule will become effective November 1st, 2026.

To follow CALPERS' requirements the board is required to adopt the comprehensive salary schedule that reflects all actions taken by the board regarding staff compensation.

FISCAL IMPACT:

The proposed action has a fiscal impact on FY2026-27 management compensation budget of \$29,600 which represents an overall 3.2% adjustment. In December of 2026 the District will be congratulating Barry Kelly as he enters retirement. It is anticipated that the district Assistant Finance Manager will accept promotion to the Finance Manager position and the Assistant classification will not be refilled. These actions collectively will result in a neutral budget impact for FY2026-27.

ENVIRONMENTAL IMPACT:

This action is not a project as defined by the California Environmental Quality Act per Article 20, Section 15378.

ATTACHMENTS:

1. Resolution No. 623
2. Publicly Available Salary Schedule DRAFT

RESOLUTION NO. 623

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SUNNYSLOPE COUNTY WATER DISTRICT
ADOPTING THE 2026-27 SALARY SCHEDULE TO COMPLY WITH
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)
STATUTORY AND REGULATORY REQUIREMENTS FOR
COMPENSATION EARNABLE AND PUBLICLY AVAILABLE PAY
SCHEDULES**

WHEREAS, all employers must comply with the compensation earnable and publicly available pay schedules provision contained in the California Code of Regulations (CCR) Title 2, Section 570.5 and amendments to CCR Section 571, subdivision (b); and

WHEREAS, it is necessary to review and duly approve and adopt in accordance with requirements of applicable public meetings laws, and publicly available pay schedule; and

WHEREAS, attached to this resolution and incorporated by reference is the District's comprehensive salary schedule which will be made publicly available on the District's website and provided upon request; and

WHEREAS, this resolution confirms and formally adopts, the salary rates as amended by the Board of Directors to be effective November 1, 2026; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Sunnyslope County Water District that the Board hereby adopts and confirms the salary schedule to comply with California Public Employees' Retirement System (CALPERS) statutory and regulatory requirements for compensation earnable and publicly available pay schedules.

THE FOREGOING RESOLUTION No. 623 on a motion by Director _____ and second by Director _____ is duly adopted this 27th day of October 2026, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

SUNNYSLOPE COUNTY WATER DISTRICT

Signed: _____

Mike Alcorn, President

(S E A L)

ATTEST:

*Drew A. Lander, General Manager/Secretary of the Board
of Directors*

Publicly Available Salary Schedule
Approving Resolution No. 623



Sunnyslope Water District

Effective November 1, 2026

Field and Office (Represented Staff)

Classification	Rate Type	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J (lead)
Account Technician *□*	monthly	4,577.04	4,805.90	5,046.20	5,298.51	5,563.44	5,841.61	6,133.69	6,440.37	6,762.39	7,438.61
Billing and Public Relations Specialist *□*	monthly	4,577.04	4,805.90	5,046.20	5,298.51	5,563.44	5,841.61	6,133.69	6,440.37		
Water/ Wastewater Utility Maintenance *□*	monthly	6,004.53	6,304.76	6,620.00	6,951.00	7,298.55	7,663.48	8,046.65	8,448.98	8,871.43	9,315.00
Water Treatment Plant Operator *□*	monthly	8,101.37	8,506.43	8,931.75	9,378.34	9,847.26	10,339.62				

Board Approved: 07/23/2024

Minimum Requirements to Reach Steps for Water/Wastewater Utility Maintenance & Water Treatment Plant Operator Positions:		None	None	One Required	Two Required	Two Required	One Grade II Required	Two Grade II Required	Two Grade II Required	Three Required	Three Required
Grade/ Certification:	W Treatment			Grade I	Grade I	Grade I	Grade II	Grade II	Grade II	Grade II	Grade II
	WW Treatment	None	None	Grade I	Grade I	Grade I	Grade I	Grade I	Grade I	Grade II	Grade III
	Distribution			Grade I	Grade I	Grade I	Grade II	Grade II	Grade II	Grade II	Grade III

Management/Confidential/Professional (Unrepresented Staff)

Classification	Rate Type	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I
Assistant Engineer *□*	monthly	5,790.33	6,079.85	6,383.84	6,703.03	7,038.18	7,390.09			
Assistant Finance Manager *□*	monthly	6,000.00	6,300.00	6,615.00	6,945.75	7,293.04	7,657.69	8,040.57	8,442.60	8,864.73
Executive Assistant- Confidential *□*	monthly	6,000.00	6,300.00	6,615.00	6,945.75	7,293.04	7,657.69	8,040.57	8,442.60	8,864.73
Finance/Human Resources Manager *□*	monthly	9,520.00	9,996.00	10,495.80	11,020.59	11,571.62	12,150.20			
Associate Engineer *□*	monthly	9,662.00	10,145.10	10,652.36	11,184.97	11,744.22	12,331.43			
Operations & Maintenance Crew Chief *□*	monthly	10,363.50	10,881.68	11,425.76	11,997.05	12,596.90	13,226.74			
Principal Engineer *□*	monthly	11,762.00	12,350.10	12,967.61	13,615.99	14,296.78	15,011.62			
Water/Wastewater Superintendent *□*	monthly	12,085.50	12,689.78	13,324.26	13,990.48	14,690.00	15,424.50			

Board Approved: 10/22/2024

■ Last 4 Steps in the Salary Scale Require a 4-Year Degree in a Related Field.

@ Water/Wastewater Superintendent Professional Certification Pay: In addition to CWEA certification incentives, a Superintendent in this class holding a combination of a Grade 5 Wastewater certificate, Grade 4 Water Treatment certificate together with a Distribution 4 certificate is entitled to 10% increase to current step.

Executive Management

Classification	Annual	Rate Type	Effective Date	Hourly
General Manager	205,000.00	Monthly	17,083.33	12/25/2022

Board Approved: 11/15/2022

* Longevity Steps are added to the employees base pay rate at their current position and step as follows:

Years of Service	Additional Pay
15-19	2.00%
20-24	4.00%
25+	6.00%

□ Stipend Pay: The District provides a stipend of \$100 per month for qualified positions designated by the General Manager.

Stipend List:

Notary	Pesticide Applicator- DPR
Spanish Speaking/Writing	P.O. Administration Certificate
Tyler Administration Certificate	Back Flow- AWWA
	Commercial Driver's License-DMV

* Incentive/Professional Certification Pay (CWEA)	Percentage Increase to Current Salary Step			
Technical Fields:	Grade 1	Grade 2	Grade 3	Grade 4
Advanced Water Treatment Operator	0%	1%	2%	3%
Collection System Maintenance	0%	1%	2%	3%
Electrical & Instrumentation Technologist	0%	1%	2%	3%
Mechanical Technologist	0%	1%	2%	3%

9% Cap for CWEA Certification Pay: Only Available to Management and Field Employees

Staff Report

Agenda Item: I-4

DATE: October 15, 2026 (October 27, 2026 Meeting)

TO: Board of Directors

FROM: Drew A. Lander, General Manager

SUBJECT: 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).

RECOMMENDATION:

Approve and authorize a specified designee to represent SSCWD in electronic ballot voting for ACWA Board Officer Voting.

BACKGROUND:

ACWA is requesting each member agency to designate a person to responsibly cast votes supporting or rejecting the amendments to the ACWD bylaws, as well as participate in the future as the Agency voting representative.

- **The SSCWD Board shall Designate voting representative:** Each member agency must submit the Voting Representative Form by Friday, October 30. Note: ACWA will also use this designee as the voting representative in the 2027 election for ACWA's Board Officers and region boards for the 2028-'29 term. There will be an opportunity to change the designation prior to the deadline for nominating candidates if desired.
- **Review proposed Amended and Restated Bylaws:** Summary of changes is included in the packet.
- **Have designated voter prepare for the electronic voting form:** The designated voter will receive an email directly from Simply Voting on Nov. 9. Have them add vote@simplyvoting.com to their safe-senders list to ensure delivery of the ballot. Ballots must be submitted by Dec. 18.

FISCAL IMPACT:

This action has no fiscal impact.

ENVIRONMENTAL IMPACT:

The proposed action is not a project as defined by the California Environmental Quality Act per Article 20, Section 15378.

ATTACHMENTS:

1. ACWA Bylaws Proposed Amendments Summary Table
2. ACWA-Amendment by Written Ballot Notification Memo
3. 2026 Bylaws Authorized Voting Rep Form



Proposed Amendments to the ACWA's Bylaws

Amendment 1: ARTICLE 4, Section 4.05, Special Meeting

Current Bylaw	Proposed Bylaw	Rationale
Section 4.05. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.	Section 4.05. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. <u>However, the president's determination of necessity shall control.</u> Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.	Amendment to add the president's ultimate authority to schedule a special meeting if deemed necessary.

Note: Green text throughout this document reflects edits recommended by the Legal Affairs Bylaws and Procedures Subcommittee in response to its review and analysis of the proposed amendments to the Bylaws, consistent with Section 9.09 of ACWA's Bylaws. The ACWA Board included the LAC Workgroup's recommended edits as part of its recommendation to the members.



Proposed Amendments to the ACWA's Bylaws

Amendment 2: ARTICLE 4, Section 4.06 Meetings by Electronic Communication

Current Bylaw	Proposed Bylaw	Rationale
Section 4.06. Meetings by Electronic Communication. Any meeting of the Board of Directors, region boards, or any committee may be conducted, in whole or in part, by telephone, electronic transmission, or by electronic video screen communication. A member of the Board of Directors, a region board, or any committee shall be deemed present in person at the meeting if the following apply: (a) Each director, region board, or committee member participating in the meeting can communicate concurrently with all other directors, region board, or committee members. (b) Each director, region board or, committee member is provided the means of participating in all matters before the board, region board, or committee, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association.	~~Section 4.06. Meetings by Electronic Communication.~~ <u>Alternatives to Traditional Meetings.</u> (a) Any meeting of the Board of Directors, region boards, or any committee may be conducted, in whole or in part, by telephone, electronic transmission, or by electronic video screen communication. A member of the Board of Directors, a region board, or any committee shall be deemed present in person at the meeting if the following apply: 1) Each director, region board, or committee member participating in the meeting can communicate concurrently with all other directors, region board, or committee members. 2) Each director, region board or, committee member is provided the means of participating in all matters before the board, region board, or committee, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association. (b) <u>To the extent permitted by applicable law and subject to all applicable requirements, any action that may be taken at a regular or special Board of Directors, a region board, or any committee may be approved by unanimous written consent of the members of that body.</u>	Amendment to allow the flexibility to take action by written consent. LAC recommended this language be added to Article 4 instead of Article 9.



Proposed Amendments to the ACWA's Bylaws

Amendment 3: ARTICLE 5, Regions

Current Bylaw	Proposed Bylaw	Rationale
Section 5.02. Officers (a) The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region in each odd-numbered year. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. Association staff shall verify the legitimacy of the ballots.	Section 5.02. Officers (a) The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region in each odd-numbered year. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. <u>Five or more members of the Association from the region shall constitute a quorum for the purposes of regional board elections.</u> Association staff shall verify the legitimacy of the ballots.	Amendment to clarify the quorum for region board elections is five members.



Proposed Amendments to the ACWA's Bylaws

Amendment 4: ARTICLE 6, Section 6.04, Meetings

Current Bylaw	Proposed Bylaw	Rationale
Section 6.04. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06. All members of the Board of Directors may attend any meeting of the Executive Committee. Meetings of the Executive Committee may be closed to others at the discretion of the president or committee. Only members of the Executive Committee are allowed to vote on matters at a meeting of the committee.	Section 6.04. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06. <u>With the exception of closed sessions as designated by the Executive Committee, all members of the Board of Directors and Council of Past Presidents may attend any meeting of the Executive Committee. However, Meetings of the Executive Committee may be closed its meetings to select or all non-members of the Committee to others at the discretion of the president or by a majority vote of the Executive Committee. Any decision to close an Executive Committee meeting to others shall be final and not reversible except with the consent of party that decided to close the meeting.</u> Only members of the Executive Committee are allowed to vote on <u>Executive Committee matters.</u> ~~at a meeting of the committee.~~	Amendment to limit attendance during closed session discussions involving personnel matters to preserve the confidentiality of sensitive employment information, protect the privacy rights of employees and applicants, and promote candid discussion by those with responsibility for making personnel decisions. Importantly, the Board of Directors could conduct its own closed session prior to any final action. This amendment ensures flexibility for the Executive Committee's internal deliberation and consideration while preserving ultimate Board decision-making authority.



Proposed Amendments to the ACWA's Bylaws

Amendment 5, ARTICLE 8, Section 8.01, Council of Past Presidents

Current Bylaw	Proposed Bylaw	Rationale
Section 8.01. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board and Executive Committee meetings, including attending closed sessions. With the exception of the immediate past president, members of the Council of Past Presidents are non-voting.	Section 8.01. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board and Executive Committee meetings, including attending closed sessions of the Board. <u>Members of the Council of Past Presidents may also attend ~~closed~~ sessions meetings the Executive Committee except as designated by the Executive Committee as further described in Section 6.04.</u> With the exception of the immediate past president, members of the Council of Past Presidents are non-voting.	Amendment to clarify that the Council of Past Presidents may attend Board of Directors and Executive Committee meetings, with the exception of Executive Committee closed sessions as designated by the Executive Committee.



Proposed Amendments to the ACWA's Bylaws

Amendment 6, Article 9, Section 9.08, Quorum

Current Bylaw		Proposed Bylaw	Rationale
Section 9.08. Quorum. The presence of the authorized representatives of at least 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business. Actions taken by written ballot shall require the timely receipt of the written ballot from the authorized representatives of at least 50 members to constitute a quorum.		Section 9.08. Quorum. The presence of the authorized representatives of at least 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business. Actions <u>of the members of the Association</u> taken by written ballot shall require the timely receipt of the written ballot from the authorized representatives of at least 50 members to constitute a quorum.	Amendment to clarify that the quorum for the region board elections is five, consistent with the quorum needed to conduct business at a region meeting, as established in Section 5.04, and with newly amended quorum language to elect region boards in Section 5.02.



MEMORANDUM

Via U.S. Electronic Mail

TO: ACWA Member Agency Board Presidents and General Managers
CC: ACWA Board of Directors
FROM: Karla Nemeth, ACWA Executive Director
DATE: September 28, 2026
SUBJECT: Proposed Amendments to ACWA's Bylaws by Written Ballot

ACWA will conduct a vote of the membership by electronic ballot on proposed Amended and Restated Bylaws, as recommended by the Board of Directors on September 25, 2026.

The voting will be conducted by electronic ballot consistent with the voting process used by members to elect Board Officers and region boards. Conducting the vote electronically provides all members an opportunity to participate, rather than limiting voting to members attending an ACWA conference, thereby promoting broader member participation and engagement.

Each member agency is entitled to one vote that will be cast by its authorized voting representative. Member agencies must designate their voting representative by submitting the attached Voting Representative Form by **Friday, October 30**.

Important Next Steps

- 1. Designate voting representative:** Fill out the attached Voting Representative Form by Friday, October 30. Note: ACWA will also use this designee as the voting representative in next year's election for ACWA's Board Officers and region boards for the 2028-'29 term. You will have the opportunity to change the designation prior to the deadline for nominating candidates if desired.
- 2. Review proposed Amended and Restated Bylaws:** These are available online at <https://www.acwa.com/2026-bylaws/> as well as attached.
- 3. Have designated voter prepare for the electronic voting:** Your designated voter will receive an email directly from Simply Voting on November 9. Have them add (vote@simplyvoting.com) to their safe-senders list to ensure delivery of the ballot. **Ballots must be submitted by December 18.**

More information on the proposed Amended & Restated Bylaws, voting process, and next steps is available at <https://www.acwa.com/2026-bylaws/>. For additional questions regarding the proposed Amended and Restated Bylaws or the voting process, please contact ACWA's General Counsel Joshua Nelson at 916-951-2859 or joshua.nelson@bbklaw.com or Senior Clerk of the Board Donna Pangborn at 916-669-2425 or donnap@acwa.com.



Attachments (Also see website [link](#) for these materials.):

1. Authorized Voting Representative Form
2. Proposed Amendments to ACWA's Bylaws Summary Table
3. Proposed Amended and Restated Bylaws (redline version)
4. Proposed Amended and Restated Bylaws (clean version)

AUTHORIZED VOTING REPRESENTATIVE FORM

ACWA members will vote by electronic ballot on proposed Amended and Restated Bylaws.

Key Details:

- **Electronic Voting:** Voting will be conducted electronically by each member agency's designated voter.
- **Designated Voter:** Each agency must **designate one voting representative by October 30**. To designate your agency's voter, please submit this **Authorized Voting Representative Form** by the deadline.
Note: ACWA will also use the person designated below as the voting representative in next year's election for ACWA's Board Officers and region boards for the 2028-'29 term. You will have an opportunity to change the designation prior to the deadline for nominating candidates, if desired.
- **Default Voter:** If no representative is designated by the deadline, your agency's **General Manager** will be the authorized voter by default.
- **Ballot Distribution:** Authorized voters will receive an electronic ballot on November 9.

For more information about ACWA's elections, visit: www.acwa.com/elections.

The person designated below will cast our agency's vote for the proposed Amended and Restated Bylaws process in 2026 and the election of ACWA's President, Vice President and Region Board for the 2028-'29 term.

Member Agency's Name		Agency's Phone No.
Authorized Voting Representative's Name	Authorized Voting Representative's Email	Authorized Voting Representative's Phone No.

Print Name of Member Agency's Authorized Signatory

X

Authorized Signatory Signature

Date

SUBMIT YOUR FORM

To: Donna Pangborn, Senior Clerk of the Board
Email: donnap@acwa.com
Mail: 980 9th Street, Suite 1000, Sacramento, CA 95814

SUBMISSION DEADLINE

OCT. 30, 2026