

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
March 24th, 2026

A. CALL TO ORDER: The meeting was called to order at 5:15 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 Jerry Buzzetta (JB), Director Alexis Perez-Kenny (APK).

B. PUBLIC COMMENTS ON CLOSED SESSION MATTERS.

No closed session items scheduled for discussion.

C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS:

No items scheduled for discussion.

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

No items were on the agenda for discussion.

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

G. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS: The Board welcomed members of the public and opened the meeting to public comments regarding matters not itemized on the agenda. No public comments were received.

Staff Present for Open Session: In Person: General Manager/Secretary Drew Lander, Executive Assistant/Stenographer Madison Koester, Assistance Finance Manager Dana Sullivan, Principal Engineer Robert Hillebrecht and Water/ Wastewater Superintendent Jose Rodriguez.

Staff Present for Open Session: Via Zoom: Finance and Human Resources Manager Barry Kelly.

H. CONSENT AGENDA:

1. Approval of Minutes for:

Regular Board Meeting of February 24th, 2026.

2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of February 1, 2026 through February 28, 2026, totaling \$1,738,507.02 includes \$521,647.43 for payments to vendors, \$259,794.15 for Payroll, and \$557,060.71 paid to the City of Hollister for collection of City sewer billings (net of our fees).

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
2/2/2026	ACH3313	Sterling Administration Health	35.00
2/3/2026	54768	Amazon Capital Services	1,717.97
2/3/2026	54769	Brenntag Pacific, Inc.	12,969.41

March 24th, 2026, Regular Meeting Minutes

2/3/2026	54770	C & N Tractors	48,809.83
2/3/2026	54771	DLT Solutions Inc.	1,345.76
2/3/2026	54772	exceedio	5,654.81
2/3/2026	54773	Extreme Air, Inc.	935.00
2/3/2026	54774	Frisch Engineering Inc.	200.00
2/3/2026	54775	Hach Company	766.25
2/3/2026	54776	Jorge Mendoza	190.96
2/3/2026	54777	Mission Uniform Service	598.05
2/3/2026	54778	National Demographics, Inc.	19,000.00
2/3/2026	54779	PACE Supply Corp	307.62
2/3/2026	54780	Petty Cash	15.00
2/3/2026	54786	RICHARD LOPEZ & SUSIE ALARCON	87.96
2/3/2026	54781	San Benito County Water District	396,400.01
2/3/2026	54783	Star Concrete	170.43
2/3/2026	54784	UWUA Local 820	784.72
2/3/2026	54785	Wallace Group	40,017.30
2/4/2026	ACH3314	Sterling Administration Health	43.49
2/5/2026	ACH3315	CalPERS - Retirement	23.08
2/5/2026	ACH3317	CalPERS - Retirement	637.17
2/5/2026	ACH3319	CalPERS - Retirement	7,490.49
2/5/2026	ACH3320	CalPERS - Retirement	10,417.33
2/5/2026	ACH3321	CalPERS - Retirement	12,178.10
2/5/2026	EFT0000295	Net Pay	86,471.63
2/5/2026	ACH3322	P G & E	25,320.02
2/5/2026	ACH3318	Principal	5,204.98
2/5/2026	ACH3316	Sterling Administration Health	47.94
2/5/2026	EFT0000296	Total Tax	20,343.02
2/9/2026	54787	Ace Hardware (Johnson Lumber Co.)	253.42
2/9/2026	54788	Amazon Capital Services	153.09
2/9/2026	54789	Auto Tech Service Center, Inc.	260.00
2/9/2026	54790	Brenntag Pacific, Inc.	19,348.87
2/9/2026	54791	Brigantino Irrigation	149.02
2/9/2026	54792	Bryan Mailey Electric, Inc	4,208.58
2/9/2026	54794	City of Hollister-Finance Dept	51,113.52
2/9/2026	54793	City of Hollister-Finance Dept	505,947.19
2/9/2026	54795	Green Line	2,620.00
2/9/2026	54796	Hollister Auto Parts, Inc.	289.31
2/9/2026	ACH3326	iCloud	15,119.88
2/9/2026	54797	John Smith Road Landfill	5,449.08
2/9/2026	54798	Mc Gilloway, Ray, Brown & Kaufman	9,250.00
2/9/2026	54799	Mission Uniform Service	541.83
2/9/2026	ACH3324	Nationwide Retirements Solutions	1,112.00
2/9/2026	ACH3325	Nationwide Retirements Solutions	10,015.74
2/9/2026	54800	Novogradac & Company LLP	18,000.00
2/9/2026	54801	PAPE Machinery	25,717.22
2/9/2026	54802	Recology San Benito County	750.38
2/9/2026	54803	Ridgemark Homeowners Association	70.00
2/9/2026	54804	San Benito County Water District	167.25
2/9/2026	54805	San Benito Tire Pros & Automotive	1,288.73
2/9/2026	54806	Simplot Grower Solutions	1,023.50
2/9/2026	54807	Star Concrete	1,504.38
2/9/2026	ACH3323	Sterling Administration Health	274.90
2/9/2026	54808	Toro Petroleum Corp.	3,234.76

2/9/2026	54810	U.S. Bank Corporate Payment Systems	5,855.10
2/9/2026	54811	VEOLIA WTS Analytical Instruments, Inc.	18,576.87
2/9/2026	54812	Waste Resource Recovery, Inc.	4,500.00
2/12/2026	ACH3328	Colonial Life	2,613.38
2/12/2026	ACH3327	Sterling Administration Health	155.00
2/13/2026	ACH3329	ADP	2,454.77
2/18/2026	54813	A-1 Services	504.00
2/18/2026	54814	Ace Hardware (Johnson Lumber Co.)	196.24
2/18/2026	54815	Amazon Capital Services	1,623.66
2/18/2026	54816	Brenntag Pacific, Inc.	29,232.44
2/18/2026	54817	Calcon System, Inc.	5,726.50
2/18/2026	54820	CWEA Membership- TCP	129.00
2/18/2026	54819	CWEA Membership- TCP	251.00
2/18/2026	54821	De Lay & Laredo	2,300.00
2/18/2026	54822	Don Chapin Co. Inc., The	106.24
2/18/2026	54823	EBCO Pest Control	82.00
2/18/2026	54824	Ferguson Enterprises, Inc.	93.82
2/18/2026	54825	Frisch Engineering Inc.	410.00
2/18/2026	54826	Grainger, Inc.	879.79
2/18/2026	54828	Greenwood Chevrolet	21,981.85
2/18/2026	54827	Greenwood Chevrolet	34,562.99
2/18/2026	54829	Hach Company	1,583.82
2/18/2026	54830	Hollister Auto Parts, Inc.	757.69
2/18/2026	54831	ICON Cloud Solutions, LLC	293.21
2/18/2026	54832	Iconix Waterworks (US) Inc.	768.24
2/18/2026	54833	InfoSend	3,856.83
2/18/2026	54834	Kraemer Engineering Inc.	8,994.46
2/18/2026	54835	Mission Uniform Service	598.05
2/18/2026	54836	NBS Government Finance Group	3,387.50
2/18/2026	54837	O'Reilly Auto Parts	40.34
2/18/2026	54838	Postal Graphics	39.86
2/18/2026	54839	R&S Erection of Monterey Bay, Inc.	285.00
2/18/2026	54840	San Benito County-Environ. Health Div.	8,710.00
2/18/2026	54841	San Benito Tire Pros & Automotive	25.00
2/18/2026	54842	Star Concrete	869.63
2/18/2026	54844	State Water Resources Control Board-DWOCF	65.00
2/18/2026	54843	State Water Resources Control Board-DWOCF	130.00
2/18/2026	54845	State Water Resources Control Board-DWPF	47,906.88
2/18/2026	ACH3330	Sterling Administration Health	145.00
2/18/2026	54846	The Davey Tree Expert Company	22,210.00
2/18/2026	54847	Trans Union LLC	234.81
2/18/2026	54848	USA Blue Book	1,094.73
2/18/2026	54849	Veolia Water Technologies, Inc.	6,787.28
2/18/2026	54850	Waste Resource Recovery, Inc.	900.00
2/18/2026	54851	Wright Bros. Indust. Supply	797.69
2/19/2026	EFT0000297	Net Pay	82,677.70
2/19/2026	ACH3331	Sterling Administration Health	871.45
2/19/2026	EFT0000298	Total Tax	18,845.79
2/23/2026	54861	ANGELA & VICTOR LOPEZ	128.26
2/23/2026	54862	CYNTHIA CASTENEDA	346.65
2/23/2026	54863	MARCUS GRAY III & MALCOLM COHEN	161.68
2/23/2026	54864	MCH ELECTRIC,	2,712.92
2/24/2026	54852	ACC Business	1,337.24

2/24/2026	54853	Ace Hardware (Johnson Lumber Co.)	9.82
2/24/2026	54854	Amazon Capital Services	569.08
2/24/2026	54855	Brenntag Pacific, Inc.	1,344.21
2/24/2026	54856	exceedio	5,654.81
2/24/2026	54857	Iconix Waterworks (US) Inc.	1,311.74
2/24/2026	54858	Mission Uniform Service	545.83
2/24/2026	54859	Toro Petroleum Corp.	2,215.96
2/24/2026	54860	Verizon Wireless	635.88
2/25/2026	ACH3332	ADP	257.15
2/28/2026	MISC0000561	Heritage Bank Activity Charges Feb 2026	119.20
			-\$1,738,507.02

- 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. Director Buzzetta requested to pull item 4 from the consent agenda and bring it to new business as item I5. Upon a motion made by Director Brown to approve the Consent Agenda as amended, seconded by Director Perez-Kenny, for which President Alcorn then took a roll call vote as follows: (DB), yes; (APK), yes; (JB), yes; (OM), yes; and (MA) yes; the motion carried 5-0.

I. NEW BUSINESS:

1. Discuss California Valley Project Water Allocation And Accept The General Manager Recommendation To Purchase Up To 2100-Acrefeet Of Water For Distribution To Sunnyslope Customers For The 2026/27 Water Season. (Not A Project Under CEQA)

The General Manager presented the proposed 2026/27 California Valley Project (CVP) water allocation, explaining that the District received an allocation of approximately 5,000 acre-feet and is recommending the purchase of 2,100 acre-feet to support an estimated 80/20 surface-to-groundwater blend. He reviewed a cost comparison chart prepared by staff showing projected production costs at varying blend levels. The General Manager emphasized that maintaining surface water use supports water quality goals, reduces reliance on water softeners, and assists with wastewater permit compliance. He further reported that revised raw water rates are projected to reduce costs by approximately \$500,000, potentially allowing the District to maintain current water rates without an increase this year. Board discussion included questions regarding anticipated demand from new connections, minimum purchase requirements under the Water Supply and Treatment Agreement, seasonal blending practices, potential operational risks, and the status of the ADROp recharge program. The General Manager confirmed that 2,100 acre-feet is expected to meet demand for the upcoming season and that blending practices will continue to vary seasonally to maintain water quality.

President Alcorn then asked for any public comment. Upon receiving no public comment, President Alcorn requested a motion to approve the item. Director Perez-Kenny made a motion to accept the General Manager recommendation to purchase 2,100-Acrefeet of water for the distribution to Sunnyslope Customers for the 2026/27 water season. This motion was seconded by Director Brown for which President Alcorn then took a roll call

vote as follows: (DB), yes; (APK), yes; (JB), yes; (OM) yes; and (MA), yes; the motion carried 5-0.

2. Authorize The General Manager To Contract Professional Services For The Design And Environmental Permitting Associated With The Enterprise Maintenance Facility And Well 7 Pumping Station, Not To Exceed \$120,000. (Design Work Is Not A Project Under CEQA)

The General Manager presented the proposed professional services contracts associated with the design of the Enterprise Maintenance Facility and Well 7 Pumping Station. He explained that District staff will manage the project in-house to reduce overall costs, with survey work already completed by San Benito Engineering to support development of the site plan. The proposed facility will function primarily as a maintenance garage and will include improvements to Well 7 controls and booster pump systems to enhance operational flexibility and support water system blending needs.

Board members discussed the proposed timelines and architectural design elements within the total project scope. The General Manager confirmed that the requested funding of \$120,000 for design services is within the capital budget allocation and that construction costs and final design approval will be brought back to the Board at a later date.

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 authorize the General Manager to contract professional services for the design and environmental permitting associated with the Enterprise Maintenance Facility and Well 7 Pumping Station, not to exceed \$120,000.00. 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.

3. Board Update Regarding Local Developers Pursuing The Use Of The California Statewide Communities Development Authority Impact Fee Funding Mechanism Titled Statewide Community Infrastructure Program (Not A Project Under CEQA)

The General Manager provided an update regarding local developers pursuing the use of the California Statewide Communities Development Authority (CSCDA) Statewide Community Infrastructure Program (SCIP) to finance water connection fees for upcoming residential developments. He reported that both Richmond American Homes and D.R. Horton are exploring the use of SCIP financing, which allows developers to fund connection fees through tax-exempt bond financing. He explained that the program does not negatively impact the District, as all connection fees would still be paid in full, either through the bond process or other financing methods.

Board members discussed whether potential savings associated with the program would ultimately benefit homeowners or developers and acknowledged that pricing would remain market-driven.

There was no public comment, and no formal Board action was taken on this item.

4. Authorize The General Manager To Execute A Legal Services Agreement With SL Environmental Law Group PC For Compensation Allowed by Law For The Presence of PFAS And PFOS With No Out Of Pocket Legal Expenses Imposed On The District (Not A Project Under CEQA)

The General Manager presented a request to authorize execution of a Legal Services Agreement with SL Environmental Law Group to pursue potential compensation related to PFAS contamination detected during UCMR-5 sampling. Participation in the litigation would not require any expense from the District, and legal fees would be paid only from any successful monetary award. The Board discussed the opportunity to position the District for future funding should treatment requirements be imposed.

President Alcorn then asked for any public comment. Upon receiving no public comment, President Alcorn requested a motion to approve the item. Director Perez-Kenny made a motion to authorize the General Manager to execute a legal services agreement with SL Environmental Law Group PC for compensation allowed by law for the presence of PFAS and PFOS with no out-of-pocket legal expenses imposed on the District. 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.

5. Receive And Accept Finance Manager Monthly Status Reports: a.) Narrative Report, b.) Operations Summary, c.) Statement of Income, d.) Investment Summary, e.) Board Designated Reserves

Director Buzzetta requested that this item be removed from the Consent Agenda for discussion and asked several questions regarding the February 2026 financial reports, including operating trends, seasonal revenue fluctuations, and investment activity. The General Manager and Assistant Finance Manager Dana Sullivan responded to questions related to changes in operating income, the impact of seasonal water usage on revenues, and the District's current cost per acre-foot. Staff explained that winter months typically result in lower water usage and revenue and confirmed that overall costs remain stable, with the District maintaining a 12-month rolling average cost per acre-foot of approximately \$4,093.

Additional discussion included questions regarding accounts receivable balances associated with grant-funded consolidation projects and the District's investment and reserve balances. Staff clarified that certain receivables are tied to reimbursement-based grant funding and are expected to be recovered through ongoing project reimbursements.

Following discussion and responses to Director Buzzetta's questions, President Alcorn requested a motion to approve the item. Director Buzzetta made a motion to accept the Finance Manager Monthly Status Reports. The motion was seconded by Director Brown for which President Alcorn then took a roll call vote as follows: (DB), yes; (APK), yes; (OM), yes; (JB) yes; and (MA), yes; the motion carried 5-0.

J. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** (No Meeting)
2. **Water/Wastewater Committee:** (Meeting March 13th, 2026) – GM Lander reported out that this meeting was held to discuss current projects and facilities and plan for the Facilities Tour special meeting.
3. **Finance Committee:** (No Meeting)
4. **Policy and Procedure Committee:** (No Meeting)
5. **Personnel Committee:** (No Meeting)
6. **Water Resources Association of San Benito County (WRA):** (Meeting March 5th, 2026) – Director Martinez reported out on the March 5th WRA meeting, informing the board of the many things the new WRA manager is working on regarding water conservation; including a project with Sunnyslope for their new vans and advertising in the local theaters. Director Martinez also reported that he would be unable to make the next WRA meeting and President Alcorn offered to take his place, as his alternate Director Brown was also booked that day.

K. BOARD and STAFF REPORTS

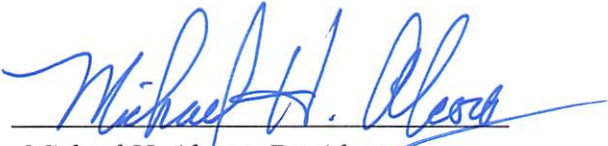
1. **Directors:** No Report.
2. **District Counsel:** No Report.

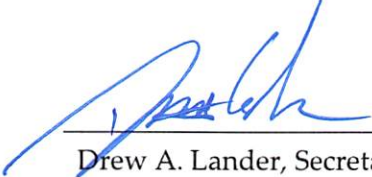
3. **General Manager:** The General Manager requested that the Finance Committee meet to review coverage and deductible options prior to finalizing the policy. He provided updates on regional coordination efforts, noting that the next Water Supply Treatment Advisory Committee meeting is scheduled for April 15 and that discussions with the City of Hollister regarding water blending and wastewater-related coordination are ongoing. He also reported that Assistant Finance Manager Dana Sullivan successfully obtained her notary certification and proposed that staff will be implementing vehicle telematics to improve fleet efficiency, monitor fuel usage, and identify potential operational cost savings.

The General Manager further reported that in support of collaborative statewide efforts related to Chromium-6 regulatory requirements he would be considering a \$5,000 contribution toward legal expenses currently opposing the lowering of the Chromium-6 MCL.

L. **FUTURE AGENDA ITEMS:** District Facilities Tour & May Water Awareness Month Presentation from WRA representative.

M. **ADJOURNMENT:** President Alcorn adjourned the meeting at 6:54 p.m.

APPROVED BY THE BOARD: 
Michael H. Alcorn, President

RESPECTFULLY SUBMITTED: 
Drew A. Lander, Secretary