

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
March 16, 2021

A. CALL TO ORDER: The meeting was called to order at 4:45 p.m. by President Buzzetta, as authorized by the State of California Executive Order N-25-20 via teleconference, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

ROLL CALL: Present in Person: President Jerry Buzzetta, and Vice President James Parker. **Present Via Teleconference:** Director Mike Alcorn, Director Judi Johnson, and Director Ann Ross.

B. PUBLIC COMMENT ON CLOSED SESSION MATTERS: Members of the public may address the Board on the item or items listed on the Closed Session agenda, with a time limit of 3 minutes per speaker. No public comment was made.

C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS:

1. Conference with Legal Counsel – Pending Litigation (§ 54956.9):

- a. *County of San Benito vs. SSCWD*, San Benito County Superior Court Case No. CU-20-00068
- b. *Williams v. City of Hollister et al.*, San Benito County superior Court Case No. CU-20-0020378u9

President Buzzetta reconvened the meeting to open session at 5:18 p.m.

D. PLEDGE OF ALLEGIANCE: Director Parker led Directors and staff in the Pledge of Allegiance.

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

1. Conference with Legal Counsel – Pending Litigation (§ 54956.9):

Attorney Heidi Quinn reported on both items, Counsel gave status update and no reportable action taken.

F. APPROVAL OF AGENDA: Upon a motion made to approve the agenda by Director Johnson, seconded by Director Ross, for which President Buzzetta (JB) then took a roll call vote as follows: Directors Alcorn, (MA), yes; Johnson (JJ), yes; Parker (JP), yes; Ross (AR), yes; and President Buzzetta (JB), 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 comments.

Staff Present for Open Session: In Person: General Manager/Secretary Drew Lander, Executive Assistant/Stenographer Carol Porteur, Water/Wastewater Superintendent Jose Rodriguez, Finance and Human Resource Manager Travis Foster, and Associate Engineer Rob Hillebrecht. **Via Teleconference:** Attorney Heidi Quinn.

H. CONSENT AGENDA:

1. Approval of Minutes – The Board reviewed the minutes for the Regular Meeting of February 16, 2021.
2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of February 1, 2021 through February 28, 2021, totaling \$1,122,382.61 which includes \$502,092.65 for payments to vendors, \$241,495.86 for Payroll, \$372,749.07 paid to the City of Hollister for collection of City sewer billings (net of our fees), and \$6,045.03 for customer refunds and checks returned. The last “ACH” # (electronic payments) was ACH #1993, last “RET” # (returned item) was RET #0023, and the last check written was check #28878.

| Date | Number | Name | Amount |
|-------------|---------------|-------------------------------|---------------|
| 02/12/21 | 02-01 PRL | Employee Payroll | -64,452.10 |
| 02/12/21 | 02-01 PRL | Payroll Taxes | -17,554.81 |
| 02/02/21 | RET 0001 | RETURNED ACH (ACH Ret 02-01) | -131.17 |
| 02/26/21 | 02-02 PRL | Employee Payroll | -65,060.29 |
| 02/26/21 | 02-02 PRL | Payroll Taxes | -18,327.67 |
| 02/10/21 | RET 0002 | RETURNED ACH (ACH Ret 02-02) | -200.00 |
| 02/19/21 | RET 0003 | RETURNED ACH (ACH Ret 02-03) | -233.49 |
| 02/22/21 | RET 0004 | RETURNED ACH (ACH Ret 02-04) | -147.02 |
| 02/22/21 | RET 0005 | RETURNED ACH (ACH Ret 02-05) | -1,444.52 |
| 02/22/21 | RET 0006 | RETURNED ACH (ACH Ret 02-06) | -134.34 |
| 02/22/21 | RET 0007 | RETURNED ACH (ACH Ret 02-07) | -513.96 |
| 02/22/21 | RET 0008 | RETURNED ACH (ACH Ret 02-08) | -227.64 |
| 02/22/21 | RET 0009 | RETURNED ACH (ACH Ret 02-09) | -143.85 |
| 02/22/21 | RET 0010 | RETURNED ACH (ACH Ret 02-10) | -152.08 |
| 02/23/21 | RET 0011 | RETURNED ACH (ACH Ret 02-11) | -156.42 |
| 02/23/21 | RET 0012 | RETURNED ACH (ACH Ret 02-12) | -184.62 |
| 02/23/21 | RET 0013 | RETURNED ACH (ACH Ret 02-13) | -461.72 |
| 02/23/21 | RET 0014 | RETURNED ACH (ACH Ret 02-14) | -247.59 |
| 02/23/21 | RET 0015 | RETURNED ACH (ACH Ret 02-15) | -327.70 |
| 02/23/21 | RET 0016 | RETURNED ACH (ACH Ret 02-16) | -137.51 |
| 02/23/21 | RET 0017 | RETURNED ACH (ACH Ret 02-17) | -170.05 |
| 02/23/21 | RET 0018 | RETURNED ACH (ACH Ret 02-18) | -175.22 |
| 02/23/21 | RET 0019 | RETURNED ACH (ACH Ret 02-19) | -135.11 |
| 02/23/21 | RET 0020 | RETURNED ACH (ACH Ret 02-20) | -143.85 |
| 02/23/21 | RET 0021 | RETURNED ACH (ACH Ret 02-21) | -121.66 |
| 02/22/21 | RET 0022 | RETURNED CHECK (Ck Ret 02-01) | -150.00 |
| 02/25/21 | RET 0023 | RETURNED ACH (ACH Ret 02-22) | -305.51 |
| 02/03/21 | ACH 1968 | CalPERS - Retirement | -194.58 |
| 02/03/21 | ACH 1969 | CalPERS - Retirement | -686.08 |
| 02/04/21 | ACH 1970 | Colonial Life | -1,802.46 |
| 02/01/21 | ACH 1971 | CalPERS - Retirement | -194.58 |
| 02/01/21 | ACH 1972 | CalPERS - Retirement | -686.08 |
| 02/05/21 | ACH 1973 | CalPERS - Retirement | -6,259.58 |
| 02/05/21 | ACH 1974 | CalPERS - Retirement | -9,051.46 |
| 02/05/21 | ACH 1975 | CalPERS - Health Insurance | -22,007.97 |
| 02/02/21 | ACH 1976 | North American Bancard | -263.43 |
| 02/02/21 | ACH 1977 | North American Bancard | -723.93 |
| 02/03/21 | ACH 1978 | North American Bancard | -152.06 |
| 02/03/21 | ACH 1979 | North American Bancard | -992.69 |
| 02/03/21 | ACH 1980 | North American Bancard | -0.20 |
| 02/05/21 | ACH 1981 | American Express | -29.08 |
| 02/09/21 | ACH 1982 | iCloud | -2,540.45 |
| 02/12/21 | ACH 1983 | ADP | -2,083.26 |
| 02/02/21 | ACH 1984 | BASIC Benefits LLC | -35.12 |
| 02/05/21 | ACH 1985 | Principal | -3,484.83 |
| 02/19/21 | ACH 1986 | BASIC Benefits LLC | -5.00 |

| Date | Number | Name | Amount |
|-------------|---------------|---|---------------|
| 02/23/21 | ACH 1987 | BASIC Benefits LLC | -20.00 |
| 02/22/21 | ACH 1988 | CalPERS - Retirement | -6,227.37 |
| 02/26/21 | ACH 1989 | BASIC Benefits LLC | -110.00 |
| 02/22/21 | ACH 1990 | CalPERS - Retirement | -8,999.38 |
| 02/19/21 | ACH 1991 | CalPERS - Retirement | -23.08 |
| 02/19/21 | ACH 1992 | CalPERS - Retirement | -23.08 |
| 02/25/21 | ACH 1993 | ADP | -243.25 |
| 02/01/21 | 28811 | Ace Hardware (Johnson Lumber Co.) | -238.51 |
| 02/01/21 | 28812 | AT&T | -554.93 |
| 02/01/21 | 28813 | Brenntag Pacific, Inc. | -17,132.07 |
| 02/01/21 | 28814 | Brigantino Irrigation | -20.45 |
| 02/01/21 | 28815 | Corbin Willits Systems, Inc. (MOM's) | -1,500.00 |
| 02/01/21 | 28816 | De Lay & Laredo | -2,989.00 |
| 02/01/21 | 28817 | Engineering News-Record (ENR) | -108.00 |
| 02/01/21 | 28818 | Grainger, Inc. | -100.96 |
| 02/01/21 | 28819 | Hach Company | -878.28 |
| 02/01/21 | 28820 | Hollister Auto Parts, Inc. | -11.21 |
| 02/01/21 | 28821 | Mission Uniform Service | -862.89 |
| 02/01/21 | 28822 | Petty Cash | -22.83 |
| 02/01/21 | 28823 | Quinn Company | -184.58 |
| 02/01/21 | 28824 | Razzolink.com | -76.95 |
| 02/01/21 | 28825 | Schaaf & Wheeler | -3,414.00 |
| 02/01/21 | 28826 | Star Concrete | -45.89 |
| 02/01/21 | 28827 | State Water Resources Control Board-DWPF | -25,165.80 |
| 02/01/21 | 28828 | USA Blue Book | -336.02 |
| 02/01/21 | 28829 | Veolia Water Technologies | -6,848.16 |
| 02/01/21 | 28830 | Virtual Graffiti, Inc. | -992.19 |
| 02/01/21 | 28831 | Bryan Mailey Electric, Inc | -2,193.52 |
| 02/01/21 | 28832 | Brenntag Pacific, Inc. | -1,981.16 |
| 02/01/21 | 28833 | Primex | -2,815.92 |
| 02/02/21 | 28834 | UWUA Local 820 | -784.72 |
| 02/08/21 | 28835 | Chavez, Jr., Manuel T. | -100.51 |
| 02/08/21 | 28836 | AT&T | -655.61 |
| 02/08/21 | 28837 | Bracewell Engineering, Inc. | -56.00 |
| 02/08/21 | 28838 | City of Hollister-Finance Dept | -372,749.07 |
| 02/08/21 | 28839 | Community Printers, Inc. | -826.25 |
| 02/08/21 | 28840 | Filmtec Corporation | -757.75 |
| 02/08/21 | 28841 | Green Line | -2,280.00 |
| 02/08/21 | 28842 | Nationwide Retirements Solutions | -15,615.62 |
| 02/08/21 | 28843 | P G & E | -18,674.00 |
| 02/08/21 | 28844 | Postal Graphics | -1,050.94 |
| 02/08/21 | 28845 | San Benito County Water District | -405.75 |
| 02/08/21 | 28846 | Toro Petroleum Corp. | -1,328.18 |
| 02/08/21 | 28847 | U.S. Bank Corporate Payment Systems | -1,652.71 |
| 02/08/21 | 28848 | exceedio | -5,141.98 |
| 02/08/21 | 28849 | Recology San Benito County | -299.75 |
| 02/16/21 | 28850 | ACC Business | -535.22 |
| 02/16/21 | 28851 | Brenntag Pacific, Inc. | -5,334.75 |
| 02/16/21 | 28852 | Central Ag Supply LLC | -218.39 |
| 02/16/21 | 28853 | EBCO Pest Control | -60.00 |
| 02/16/21 | 28854 | Staples Advantage | -309.85 |
| 02/16/21 | 28855 | State Water Resources Control Board-DWOCF | -60.00 |
| 02/16/21 | 28856 | Trans Union LLC | -161.08 |
| 02/22/21 | 28857 | A-1 Services | -403.00 |
| 02/22/21 | 28858 | Anne Muraski | -18,975.00 |
| 02/22/21 | 28859 | Auto Tech Service Center, Inc. | -1,700.00 |
| 02/22/21 | 28860 | Brenntag Pacific, Inc. | -5,301.92 |

| <u>Date</u> | <u>Number</u> | <u>Name</u> | <u>Amount</u> |
|-------------|---------------|--|-------------------------|
| 02/22/21 | 28861 | Central Ag Supply LLC | -397.45 |
| 02/22/21 | 28862 | CWEA Membership- TCP | -180.00 |
| 02/22/21 | 28863 | De Lay & Laredo | -3,943.00 |
| 02/22/21 | 28864 | ERA Safety Solutions LLC | -174.80 |
| 02/22/21 | 28865 | Fastenal Company | -8.45 |
| 02/22/21 | 28866 | Filmtec Corporation | -129.90 |
| 02/22/21 | 28867 | Hach Company | -1,082.31 |
| 02/22/21 | 28868 | Konica Minolta Premier Finance | -416.76 |
| 02/22/21 | 28869 | Monterey Signs, Inc. | -393.30 |
| 02/22/21 | 28870 | Nationwide Retirements Solutions | -7,807.81 |
| 02/22/21 | 28871 | San Benito County Water District | -343,127.83 |
| 02/22/21 | 28872 | Staples Advantage | -132.40 |
| 02/22/21 | 28873 | State Water Resources Control Board-DWOC | -90.00 |
| 02/22/21 | 28874 | Toro Petroleum Corp. | -1,305.51 |
| 02/22/21 | 28875 | Transene Company Inc (Shape Products) | -148.65 |
| 02/22/21 | 28876 | Wright Bros. Welding & Sheet Metal, Inc. | -74.17 |
| 02/22/21 | 28877 | CWEA Membership- TCP | -360.00 |
| 02/22/21 | 28878 | CWEA Membership- TCP | -420.00 |
| | | | \$ -1,122,382.61 |

3. Associate Engineer Monthly Status Report.
4. Finance Manager Monthly Status Reports: a. Narrative Report, b. Operation Summary, c. Statement of Income, d. Investment Summary, and e. Board Designated Reserves.
5. W/WW Superintendent Monthly Status Reports: a. Maintenance, b. City Meter Reading, and c. Groundwater Level Measurement.
6. General Manager Monthly Status Report.

Upon a motion made by Director Johnson to approve the Consent Agenda as presented, seconded by Director Parker, for which President Buzzetta (JB) then took a roll call vote as follows: Directors Alcorn, (MA), yes; Johnson (JJ), yes; Parker (JP), yes; Ross (AR), yes; and President Buzzetta (JB), yes; the motion carried 5-0.

I. NEW BUSINESS:

- 1. AWARD THE RIDGEMARK WASTEWATER COLLECTION SYSTEM CCTV INSPECTION AND ASSESSMENT PROJECT FY 20-21 TO ABLE SEPTIC TANK FOR AN AMOUNT NOT TO EXCEED \$133,300 AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PROJECT CONTRACT:** Associate Engineer Rob Hillebrecht explained that the Board reviewed the updated 2020 Sewer System Management Plan and approved it on April 21, 2020. In this plan, one of the listed goals was to initiate a closed-circuit television (CCTV) investigation of the entire gravity wastewater collections system by 2021 and complete it by 2024. To complete this assessment in a timely manner, Sunnyslope developed the project scope and requirements for the CCTV investigation. Then the District solicited bids from qualified contractors throughout February 2021. Bids were opened on February 25, 2021. The lowest responsible bidder was Able Septic Tank (Able) at a bid price of \$121,195.

Able is a well-established and respected company doing sewer cleaning and videoing in the Bay Area for over 50 years. Their project team are very experienced and qualified within their fields. The project includes hydro-cleaning and recording CCTV footage of all gravity sewer mains within the District’s collection system. Additionally, they will inspect each manhole and provide written reports identifying any issues in the sewer such as broken or collapsing pipes, root intrusion, bellies, corrosion, and more.

President Buzzetta asked if there may be any potential negative impact with awarding the contract and Associate Engineer Hillebrecht responded that staff will be monitoring Able Septic Tank throughout the project. Able Septic Tank will use the same equipment and methodology that Sunnyslope currently uses, so it is less likely there will be any issues. Mr. Hillebrecht added that the company is covered by insurance which will cover any repairs that may occur.

Upon a motion made by Director Alcorn to award the Ridgemark Wastewater Collection System CCTV Inspection and Assessment Project FY 20-21 to Able Septic Tank for an amount not to exceed \$133,300 and authorize the General Manager to execute a project contract, seconded by Director Johnson, for which President Buzzetta (JB) then took a roll call vote as follows: Directors Alcorn, (MA), yes; Johnson (JJ), yes; Parker (JP), yes; Ross (AR), yes; and President Buzzetta (JB), yes; the motion carried 5-0.

- 2. RECEIVE AND DISCUSS SIX-MONTH BUDGET REVIEW OF DISTRICT'S FINANCIAL RESULTS FROM JULY 1, 2020 THRU DECEMBER 31, 2020:** Finance & Human Resource Manager Travis Foster stated that the Finance Committee met on March 10, 2021 to review the Budget to Actuals results for the first six months of operations. The information provided in the staff report is to summarize the committee's discussion and report to the Board on the mid-year operating results for the District. Mr. Foster explained that in updating the District's reporting capabilities in the current fiscal year, some underlying variances are based on the differences in the methodology used in the past to develop the budget and the actual reporting in the current fiscal year.

Wastewater Revenue: Sewer Services Revenue of \$1,001,299 is up \$51,299 over the budget of \$950,000. This increase is tracking what we have seen month to month. As the District calculates the consumption factor and adjusts for the new factor in April of each year, the budget is developed based on an average of the prior year. Variances are typically seen for the first six months of the year when the current year's consumption factor has not been adjusted. Revenue for fees allocated from Customer Service of \$15,872 is down \$6,488 from the budgeted \$22,360. The net effect of these variances is \$38,256 over budget for total Wastewater Revenue.

Wastewater Expenses: The most notable variances in expenses for the Wastewater operation are the following:

- 1) Electrical Services are up \$7,795 from the budget due to additional energy used for operating pumps.
- 2) A new fuel pump costing \$4,247.39 for the 2005 DeWatering Pump was installed resulting in a \$3,938 variance in Vehicle & Equipment Operating Expenses (account 633).
- 3) Depreciation is up \$4,670 for new pumps purchased at the end of FY 2020 subsequent to the budget preparation.

Wastewater Net Ordinary Income: After six months of operations, Wastewater Net Income of \$375,933 is up \$11,999 from the budget and Net Income of \$253,250 is \$17,216 over budget.

Water Revenue: Water Sales Revenue of \$4,164,041 is up \$461,497 over the budget of \$3,702,544. Water Sales was budgeted conservatively in Fiscal Year 2021 due to the \$300,000 budget shortfall in fiscal year 2020 and the unknown impact of the pandemic. Installation Fees are \$10,650 over budget which is offset by Allocated Customer Service Revenue being \$25,951 under budget. The net effect of these variances results in total Water Revenue being \$419,137 over budget.

Water Expenses: The most notable variances in expenses for Water operations are the following:

- 1) Electrical Services are up \$71,826 from the budget due to additional energy used for operating pumps.
- 2) Depreciation is up \$18,156 for the acceptance of new subdivision water mains.
- 3) Lessalt Operations and Maintenance Costs are down \$85,944 as West Hills was

utilized more in the first six months of the year.

- 4) West Hills Treatment Plant Operations & Maintenance Costs are up \$67,298 with the primary reason attributable to the increase in chemical costs for the additional water treated for the first six months of the year. Chemical costs are \$97,088 over budget at West Hills Treatment Plant.

Water Net Ordinary Income: After six months of operations, Water Net Income of \$85,262 is \$299,188 over the budget. Net Income Excluding Non-Budgeted Items of \$44,234 is \$299,160 over the budgeted loss of \$254,926.

Customer Service Revenue: Customer Service revenue is \$32,439 under budget primarily attributable to the inability to charge late fees during the pandemic.

Customer Service Expenses: Expenses are tracking in the Customer Service department and there are no significant variances to note.

General & Administrative Expenses: Labor Variances are attributable to the difference in the methods used for allocating the Finance & HR position to Customer Service in the Budget versus the implemented departmental tracking process used with ADP. Other Expenses variances include:

- 5) The \$20,143 over budget amount for professional services is due to the timing of expenses and the addition of an employee survey after the budget was adopted.

Finance & Human Resource Manager Travis Foster stated that in general, the District is on track to have a good financial position with \$1,485,900 in Capacity Fees received for the first six months of operation. These fees are designated by the Board for Capital Contributions. The fees are currently being used to service the \$98,723 in monthly Capital Component Costs of the three tranches of the Hollister Urban Area Agreement. The balance is \$3,778,164 on December 31, 2020. The District is also on track to limit the budgeted loss for Fiscal Year 2021. Mr. Foster stated that at the Finance Committee meeting, the committee discussed the possibility of separately tracking depreciation of the Donated Assets received from developments. In the future, this will provide additional transparency of an expense for assets not acquired by the District. The District has the long-term obligation to maintain the assets, but the current depreciation expense relates to an accounting treatment versus a financial impact of operating expenses.

J. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** No meeting held.
2. **Water/Wastewater Committee:** No meeting held.
3. **Finance Committee:** President Buzzetta reported a meeting was held on March 10, 2021 for budget status review of fiscal year 2nd quarter as was discussed in agenda item I-2.
4. **Policy and Procedure Committee:** No meeting held.
5. **Personnel Committee:** No meeting held.
6. **Water Resources Association of San Benito County (WRA):** President Buzzetta reported on behalf of Director Johnson that the next meeting is scheduled for April 1, 2021 at 4 p.m. General Manager/ Secretary Lander reported that he met with San Benito County Water District to discuss San Juan Bautista's process to improve water and to adopt an ordinance to avoid the salt generation in the water.

K. BOARD and STAFF REPORTS

- 1. **Directors:** Director Johnson reported that she attended virtual groundwater sustainability meeting with TAC; and an Ethics and Brown Act training with DeLay and Laredo. Director Johnson also complimented Water/Wastewater Superintendent Rodriguez on his efforts for maintenance staff to obtain certifications in areas that were not completed in the past. Director Johnson also reported that in speaking with office staff, they conveyed to her that they were happy with the new WaterSmart program.
- 2. **District Counsel:** No report.
- 3. **General Manager:** General Manager/Secretary Lander gave an update on the COVID-19 reporting that the number of cases is on the decline and although the office is still closed, he is anticipating to re-open within a month or so depending on the current situation with the County.

Mr. Lander added that there have been no staff out or any transmission with COVID recently. The CWEA worked legislatively to advance the water/wastewater agencies into the 2B tier, and some staff have already received the vaccination, with others that are wanting it, to receive the vaccination sometime this week.

The amount of past due accounts has gone down, in part due to the letter that was sent out to the landlords and tenants. Mr. Lander stated that he feels for the landlords that have not collected rent for many months due to the COVID rules, and now they are dealing with their tenants past due water accounts. Customers are beginning to make payments on the past due amounts. General Manager/Secretary Lander reported that the new payment system has been working well, getting customers used to calling the IVR phone number or making payments online.

General Manager/Secretary Lander reported that the Technical Advisory Committee (TAC) meeting discussed ground water techniques; using all seven steps to complete the plan this year; installing dedicated monitoring wells to not only gather data, but to utilize the wells; and evaluating the feasibility of manage aquafer recharge, which allows them to look at the level of wells and the rainfall for the year to predict where they stand.

Mr. Lander stated that the March 10th public workshop was well attended by the public, primarily agriculture members. The report that San Benito County Water District is doing is for the management of the attributed cost to groundwater pumping, which serves for future groundwater management, so we will always have water.

- L. **FUTURE AGENDA ITEMS:** Consider proclaiming May 2021, as “Water Awareness Month” and the ACWA Spring Conference will be on the April 2021 agenda. Receive and Adopt the Urban Water Management Plan Update will be on the June 2021 agenda.

M. **ADJOURNMENT:** President Buzzetta adjourned the meeting at 6:00 p.m.

APPROVED BY THE BOARD: *Jerry T. Buzzetta*
Jerry T. Buzzetta, President

RESPECTFULLY SUBMITTED: *Drew A. Lander*
Drew A. Lander, Secretary