

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
June 20th, 2023

A. CALL TO ORDER: The meeting was called to order at 5:15 p.m. by President Brown, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

ROLL CALL: Present in Person: President Dee Brown (DB), Vice President Edward Mauro (EM), Director Jerry Buzzetta (JB), Director James Parker (JP), Director Mike Alcorn (MA).

B. PLEDGE OF ALLEGIANCE: Director Alcorn led those in attendance in the Pledge of Allegiance.

C. APPROVAL OF AGENDA: Upon a motion made to approve the agenda by Director Mauro, seconded by Director Alcorn, for which President Brown then took a roll call vote as follows: (MA), yes; (JP), yes; (EM), yes; (JB), yes; (DB), yes; the motion carried 5-0.

D. 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 were received.

Staff Present for Open Session: In Person: General Manager/Secretary Drew Lander, Executive Assistant/Stenographer Madison Koester, Water/ Wastewater Superintendent Jose Rodriguez, Finance and HR Manager Barry Kelly.

E. CONSENT AGENDA:

1. Approval of Minutes of the Regular Board Meeting of May 16th, 2023
2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of May 1, 2023 through May 31, 2023, totaling \$1,386,745.23 which includes \$296,205.80 for payments to vendors, \$290,784.45 for Payroll, \$415,706.55 paid to the City of Hollister for collection of City sewer billings (net of our fees), and \$6,366.15 for customer refunds.

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
05/01/2023	51059	MERITAGE HOMES OF CALIFORNIA,	\$5,150.60
05/01/2023	51278	PEARSON PROPERTIES	\$132.16
05/01/2023	51279	MICHELLE FELIX	\$87.11
05/01/2023	ACH2579	Sterling Administration Health	\$5.00
05/02/2023	ACH2580	Sterling Administration Health	\$150.00
05/04/2023	51258	Ace Hardware (Johnson Lumber Co.)	\$327.67
05/04/2023	51259	American AED	\$6,256.00
05/04/2023	51260	AT&T	\$417.12
05/04/2023	51261	AT&T	\$498.32
05/04/2023	51262	Auto Tech Service Center, Inc.	\$3,080.00
05/04/2023	51263	Brigantino Irrigation	\$131.01
05/04/2023	51264	CWEA Membership- TCP	\$105.00
05/04/2023	51265	Hach Company	\$1,063.19
05/04/2023	51266	Hollister Auto Parts, Inc.	\$240.81
05/04/2023	51267	Iconix Waterworks (US) Inc.	\$4,751.68
05/04/2023	51268	Itron, Inc.	\$8,553.60
05/04/2023	51269	Mc Kinnon Lumber Co., Inc.	\$169.79
05/04/2023	51270	Petty Cash	\$90.00

05/04/2023	51271	Recology San Benito County	\$326.68
05/04/2023	51272	San Benito Tire Pros & Automotive	\$25.00
05/04/2023	51273	State Water Resources Control Board-DWOC	\$60.00
05/04/2023	51274	State Water Resources Control Board-DWOC	\$60.00
05/04/2023	51275	State Water Resources Control Board-DWOC	\$60.00
05/04/2023	51276	True Value Hardware	\$6.10
05/04/2023	51277	Tyler Technologies, Inc.	\$5,397.13
05/05/2023	ACH2581	Sterling Administration Health	\$2,094.00
05/05/2023	ACH2582	Principal	\$3,648.60
05/05/2023	JN00404	Net Pay	\$72,804.01
05/05/2023	JN00404	Total Tax	\$18,838.89
05/08/2023	51281	Jesse Mack Company Inc.	\$92,425.95
05/08/2023	ACH2583	CalPERS - Retirement	\$23.08
05/08/2023	ACH2584	CalPERS - Retirement	\$240.17
05/08/2023	ACH2585	CalPERS - Retirement	\$3,997.58
05/08/2023	ACH2586	Sterling Administration Health	\$686.00
05/08/2023	ACH2587	CalPERS - Retirement	\$7,014.40
05/08/2023	ACH2588	CalPERS - Retirement	\$8,284.36
05/08/2023	ACH2589	iCloud	\$11,150.95
05/08/2023	ACH2590	Nationwide Retirements Solutions	\$15,246.13
05/10/2023	ACH2591	Sterling Administration Health	\$275.78
05/10/2023	ACH2592	Sterling Administration Health	\$685.00
05/11/2023	51282	Ace Hardware (Johnson Lumber Co.)	\$40.55
05/11/2023	51283	Brenntag Pacific, Inc.	\$6,710.76
05/11/2023	51284	C & N Tractors	\$1,470.94
05/11/2023	51285	City of Hollister-Finance Dept	\$415,706.55
05/11/2023	51286	DKF Solutions Group, LLC	\$4,860.00
05/11/2023	51287	Edges Electrical Group, LLC	\$67.57
05/11/2023	51288	Mission Uniform Service	\$788.79
05/11/2023	51289	Palace Business Solutions	\$70.35
05/11/2023	51290	San Benito Tire Pros & Automotive	\$211.95
05/11/2023	51291	Toro Petroleum Corp.	\$2,088.08
05/11/2023	51292	Trans Union LLC	\$170.29
05/11/2023	51293	U.S. Bank Corporate Payment Systems	\$2,582.54
05/11/2023	51294	USA Blue Book	\$450.27
05/11/2023	51295	Veolia Water Technologies	\$14,877.15
05/11/2023	51296	Wallace Group	\$6,757.50
05/11/2023	ACH2593	Sterling Administration Health	\$50.00
05/11/2023	JN00405	Net Pay	\$11,699.36
05/11/2023	JN00405	Total Tax	\$5,262.62
05/12/2023	ACH2594	Sterling Administration Health	\$225.00
05/12/2023	ACH2595	ADP	\$2,135.19
05/15/2023	ACH2596	Sterling Administration Health	\$134.00
05/15/2023	ACH2597	Sterling Administration Health	\$151.27
05/15/2023	ACH2598	Colonial Life	\$1,863.36
05/17/2023	ACH2599	Sterling Administration Health	\$92.93
05/17/2023	ACH2600	Sterling Administration Health	\$1,093.00
05/18/2023	51297	ACC Business	\$1,323.29
05/18/2023	51298	Ace Hardware (Johnson Lumber Co.)	\$28.12
05/18/2023	51299	Brigantino Irrigation	\$61.91
05/18/2023	51300	CM Analytical, Inc.	\$14,366.25
05/18/2023	51301	De Lay & Laredo	\$2,933.00
05/18/2023	51302	Ebix, Inc.	\$466.98
05/18/2023	51303	Iconix Waterworks (US) Inc.	\$177.53
05/18/2023	51304	Michael Hidalgo obo Life CPR Training	\$2,500.00

05/18/2023	51305	Mission Uniform Service	\$373.04
05/18/2023	51306	Monterey Bay Air Resources District	\$5,123.00
05/18/2023	51307	San Benito County Water District	\$377,682.28
05/18/2023	51309	Star Concrete	\$599.24
05/18/2023	51310	UWUA Local 820	\$784.72
05/18/2023	ACH2601	Sterling Administration Health	\$360.00
05/18/2023	JN00406	Net Pay	\$67,396.59
05/18/2023	JN00406	Total Tax	\$17,369.21
05/19/2023	ACH2602	Sterling Administration Health	\$40.00
05/22/2023	51311	101 Trailer Sales	\$6,792.53
05/22/2023	ACH2603	CalPERS - Retirement	\$23.08
05/22/2023	ACH2604	Sterling Administration Health	\$150.00
05/22/2023	ACH2605	CalPERS - Retirement	\$6,977.10
05/22/2023	ACH2606	CalPERS - Retirement	\$8,345.22
05/22/2023	ACH2607	CalPERS - Health Insurance	\$25,261.67
05/23/2023	ACH2608	Nationwide Retirements Solutions	\$9,971.81
05/25/2023	51279	MICHELLE FELIX	\$115.32
05/25/2023	51312	A-1 Services	\$403.00
05/25/2023	51313	Ace Hardware (Johnson Lumber Co.)	\$483.26
05/25/2023	51315	American Water Works Association (AWWA)	\$2,517.00
05/25/2023	51316	Bryan Mailey Electric, Inc	\$3,333.84
05/25/2023	51317	Central Ag Supply LLC	\$1,877.09
05/25/2023	51318	EBCO Pest Control	\$69.00
05/25/2023	51319	exceedio	\$3,205.12
05/25/2023	51320	Extreme Air, Inc.	\$360.00
05/25/2023	51321	Iconix Waterworks (US) Inc.	\$6,847.50
05/25/2023	51322	InfoSend	\$3,248.39
05/25/2023	51323	Luis M. Vasquez-Herrera	\$53.36
05/25/2023	51324	Mission Uniform Service	\$452.08
05/25/2023	51325	Pinnacle HealthCare	\$115.00
05/25/2023	51326	San Benito Tire Pros & Automotive	\$25.00
05/25/2023	51327	Sharp Engineering and Construction, Inc.	\$22,475.00
05/25/2023	51328	Toro Petroleum Corp.	\$1,936.05
05/25/2023	51329	Transene Company Inc (Shape Products)	\$153.10
05/25/2023	51330	True Value Hardware	\$6.12
05/25/2023	51331	USA Blue Book	\$1,383.75
05/25/2023	51332	Velodyne	\$3,693.14
05/25/2023	51333	Verizon Wireless	\$418.38
05/25/2023	51345	LISA CAMPISI	\$13.76
05/25/2023	51347	DUANE H DIBBLE	\$140.45
05/25/2023	51348	STEVE TAYLOR	\$382.59
05/25/2023	51349	BARRY J BRADY	\$161.70
05/25/2023	51350	LYDIA NUNEZ	\$182.46
05/25/2023	ACH2609	Sterling Administration Health	\$35.23
05/25/2023	ACH2610	P G & E	\$29,143.08
05/30/2023	ACH2611	Sterling Administration Health	\$140.00
05/31/2023	ACH2612	Sterling Administration Health	\$150.00

-\$1,386,745.23

3. Receive Associate Engineer Monthly Status Report. (May Report Not Available)
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 Brown asked for public comment and upon receiving none, President Brown requested a motion to approve the consent agenda. Upon a motion made by Director Mauro to approve the Consent Agenda, seconded by Director Parker, for which President Brown then took a roll call vote as follows: (JB), yes; (EM), yes; (JP), yes; (MA) yes; and (DB) yes; the motion carried 5-0.

F. NEW BUSINESS:

1. **Approve the Capital Expenditure and Authorize the General Manager to purchase 300 Replacement 1" Diameter Water Meters with accompanying Itron ERTs for a Total Cost not to Exceed \$107,000. (Not a project under CEQA per Article 20, Section 15378)**

General Manager Lander spoke on the matter informing the board that this is a typical yearly purchase of meters to restock our supply. Mr. Lander explained that the supplier has a better stock compared to the previous couple of years but emphasized the importance of getting them ordered sooner rather than later. Director Alcorn questioned whether quotes were collected from other vendors, to which General Manager Lander informed him that these meters were going to be the same price no matter the vendor. Mr. Lander further explained that Itron is our reoccurring vendor and that the only way to get some sort of discount is to purchase meters at higher quantities.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the resolution. Director Alcorn made a motion to Approve the Capital Expenditure and Authorize the General Manager to purchase 300 Replacement 1" Diameter Water Meters with accompanying Itron ERTs for a Total Cost not to Exceed \$107,000. This motion was seconded by Director Mauro for which President Brown then took a roll call vote as follows: (JP), yes; (MA), yes; (JB) yes; (EM) yes; and (DB) yes; the motion carried 5-0.

2. **Authorize the General Manager to Purchase the Temetra Passive Data Colleciton Network Solution from Meter, Valve & Control for a Cost Not to Exceed \$412,000. (Categorically exempt from CEQA under Article 19, Section 15301 b) and d), and Article 19, Section 15302 c))**

General Manager Lander informed the board that this is a project that has been budgeted for the last two years, but now with supply being accessible the district is asking to move forward with it. The vendor has shipped all required hardware to the district already to confirm all materials are present to start work in July 2023, with a timeframe of 4-6 months to completion.

Mr. Lander explained that with this new software customers will be getting daily meter readings, which will be a topic of discussion in an upcoming newsletter. In addition to improved customer water management the software will be saving a minimum of 16 field operator hours monthly.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the resolution. Director Alcorn made a motion to Authorize the General Manager to Purchase the Temetra Passive Data Colleciton Network Solution from Meter, Valve & Control for a Cost Not to Exceed \$412,000. This motion was seconded by Director Parker for which President Brown then took a roll call vote as follows: (JB), yes; (EM), yes; (JP) yes; (MA) yes; and (DB) yes; the motion carried 5-0.

3. Consider Approval and Adoption of the District Budget for Fiscal Year 2023-24.

General Manager/ Secretary Lander reported that overall, the district expects an increase in operational costs due to inflation pressure reaching 15% across the board. The proposed operational costs have increased by approximately \$2,000,000 over the last year. The district has been successful though in increasing efficiency, improving financial controls, and have spent more resources focusing on the long-term financial planning to prepare for these new challenges.

Mr. Lander informs the board that with our current allocation of water we are planning to operate both treatment plants as close to their operating capacities as possible for most of the year, a decision San Benito County Water District and the City of Hollister agreed on. In doing this the district will be improving water quality for customers and also increasing our historic usage so that in the event of future droughts we improve our CVP allocation when cuts get made. General Manager Lander continues by informing the board that with West Hills and Lessalt both being operational and producing at such a high rate and with chemical costs going up 15-20%, chemical costs are going to be significantly higher than previous years. In addition to increased chemical costs, raw water costs also went up significantly from approximately \$450 an acre foot to approximately \$750 an acre foot.

Finance and Human Resources Manager Barry Kelly included that the district's reserves are looking at \$600,000 worth of interest income and that the decrease to our net income is due to the increase of production costs with the two plants. The overall budget of FY 23/24 reflects a net loss of \$1,685,012, with no provision for non- operating revenues from capacity fees, miscellaneous fees, or interest income, the combination of which will decrease the projected loss.

Directors conversed on the item, with Director Parker questioning why we aren't attempting to raise rates sooner to make up for the defecit. To that General Manager Lander emphasized that with customers increasing their water usage typically in the summer it would be best to wait until the winter months so that customers don't get hit too hard with the new rates. Director Alcorn and Buzzetta discussed approving the budget but request that we review the budget on a bimonthly basis during the board meetings. Mr. Lander agreed that we should be able to work something out to provide the board with updates on how the budget is going.

President Brown then asked for any public comment. Upon receiving no public comment, Director Buzzetta made a motion to Consider Approval and Adoption of the District Budget for Fiscal Year 2023-24, with the added stipulation that an updated budget will be reported on a bimonthly basis. This motion was seconded by Director Parker for which President Brown then took a roll call vote as follows: (JB), yes; (EM), yes; (JP) yes; (MA) yes; and (DB) yes; the motion carried 5-0.

G. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** (No meeting)
2. **Water/Wastewater Committee:** (No meeting)
3. **Finance Committee:** (Meeting Held June 16th) Regarding the FY 23/24 budget.
4. **Policy and Procedure Committee:** (No meeting)
5. **Personnel Committee:** (No meeting)
6. **Water Resources Association of San Benito County (WRA):** (Meeting Held June 1st)
Director Alcorn made a brief report on the meeting, stating that it was regarding budget and the various special programs they offer.

H. BOARD and STAFF REPORTS

1. **Directors:** No Report.
2. **District Counsel:** Attorney Michael Laredo commented that AB1343 training is required for all employees and his office can arrange that training.
3. **General Manager:** General Manager Lander discussed the Gavilan groundbreaking that he attended, informing the board that he emphasized the importance of supporting the sewer project to attendees. Mr. Lander also discussed the city wastewater treatment plant receiving a reduction in their capacity from the regional board due to how operations were being handled. With this revelation Mr. Lander believes that Sunnyslope would be a good candidate to take over the running of said plant to fix operations. Mr. Lander continued with giving updates on the current projects the district is working towards before changing subject and discussing unpaid water issues. He informed the board the district is looking at approximately \$350,000 of unpaid water, which has put us in the position to start reinstating liens and shut offs for nonpayment.

I. FUTURE AGENDA ITEMS: Update on the rate study.

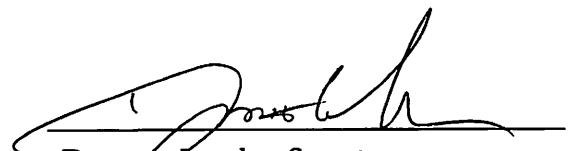
J. ADJOURNMENT: President Brown adjourned the meeting at 6:57 p.m.

APPROVED BY THE BOARD:



Dorothy J. L. Brown, President

RESPECTFULLY SUBMITTED:



Drew A. Lander, Secretary