

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
October 17th, 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 Parker led those in attendance in the Pledge of Allegiance.

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

D. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION

No additional report was required.

E. 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, O&M Crew Chief Dee J. Burbank.

F. CONSENT AGENDA:

Director Buzetta requested item F-4, Finance Manager’s Monthly Status Report be moved for discussion as an additional new business item. President Brown renumbered F-4 as item G-6 to be discussed as new business. 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 Parker to approve the Consent Agenda with Director Buzzetta’s request, seconded by Director Mauro, for which President Brown then took a roll call vote as follows: (MA), yes; (JP), yes; (EM), yes; (JB) yes; and (DB) yes; the motion carried 5-0.

1. Approval of Minutes of the Regular Board Meeting of September 19th, 2023
2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of September 1, 2023 through September 30, 2023, totaling \$2,629,787.76 which includes \$861,594.75 for payments to vendors, \$259,624.55 for Payroll, \$423,633.84 paid to the City of Hollister for collection of City sewer billings (net of our fees), and \$815.18 for customer refunds.

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
09/05/2023	ACH2684	Sterling Administration Health	\$58.26
09/05/2023	ACH2685	Sterling Administration Health	\$200.00
09/05/2023	ACH2686	Principal	\$3,405.97
09/06/2023	51653	A-1 Services	\$403.00

09/06/2023	51654	ACC Business	\$1,323.29
09/06/2023	51655	Ace Hardware (Johnson Lumber Co.)	\$81.40
09/06/2023	51656	Adan Cervantes	\$70.75
09/06/2023	51657	Atlas Copco Compressors LLC	\$1,532.41
09/06/2023	51658	B.S.K. Associates	\$1,410.00
09/06/2023	51659	Badger Meter, Inc.	\$455.98
09/06/2023	51660	Bracco's Towing	\$731.25
09/06/2023	51661	Brenntag Pacific, Inc.	\$30,736.01
09/06/2023	51662	Brigantino Irrigation	\$239.25
09/06/2023	51663	Calgon Carbon Corporation	\$71,697.79
09/06/2023	51664	Central Ag Supply LLC	\$2,595.99
09/06/2023	51665	CM Analytical, Inc.	\$13,037.50
09/06/2023	51666	CWSRF Accounting Office	\$759,974.56
09/06/2023	51667	DKF Solutions Group, LLC	\$4,860.00
09/06/2023	51668	Frisch Engineering Inc.	\$645.00
09/06/2023	51669	Iconix Waterworks (US) Inc.	\$1,262.70
09/06/2023	51670	Mc Kinnon Lumber Co., Inc.	\$76.42
09/06/2023	51671	Mission Uniform Service	\$842.68
09/06/2023	51672	Recology San Benito County	\$342.91
09/06/2023	51673	RJR Recycling	\$1,000.00
09/06/2023	51674	San Benito County Water District	\$470.75
09/06/2023	51675	San Benito County Water District	\$323,674.13
09/06/2023	51677	Simplot Grower Solutions	\$1,409.40
09/06/2023	51678	Star Concrete	\$626.55
09/06/2023	51679	State Water Resources Control Board-DWOCF	\$90.00
09/06/2023	51680	Trans Union LLC	\$219.10
09/06/2023	51681	USA Blue Book	\$35.27
09/06/2023	51682	Veolia Water Technologies	\$7,243.72
09/06/2023	51683	Wright Bros. Indust. Supply	\$28.09
09/06/2023	51684	Wright Bros. Welding & Sheet Metal, Inc.	\$32.77
09/06/2023	51685	MARC V THEBERGE	\$195.59
09/07/2023	ACH2687	P G & E	\$31,609.43
09/07/2023	JN00506	Net Pay	\$67,419.36
09/07/2023	JN00506	Total Tax	\$17,587.09
09/08/2023	ACH2688	CalPERS - Retirement	\$23.08
09/08/2023	ACH2689	CalPERS - Retirement	\$7,961.60
09/08/2023	ACH2690	CalPERS - Retirement	\$8,587.41
09/08/2023	ACH2691	Nationwide Retirements Solutions	\$9,156.61
09/08/2023	ACH2692	iCloud	\$11,459.10
09/11/2023	ACH2693	Sterling Administration Health	\$35.00
09/13/2023	ACH2694	Sterling Administration Health	\$887.90
09/13/2023	ACH2695	Colonial Life	\$1,898.96
09/14/2023	ACH2696	Sterling Administration Health	\$134.00
09/15/2023	ACH2697	ADP	\$2,221.35
09/18/2023	ACH2698	Sterling Administration Health	\$50.00
09/18/2023	ACH2699	Sterling Administration Health	\$150.00
09/20/2023	ACH2700	Sterling Administration Health	\$150.00
09/21/2023	51711	CHERI LOPES	\$6.00
09/21/2023	51712	SOFIA HERNANDEZ & LOURDES A ALDANA	\$193.74
09/21/2023	51713	MANZO CONSTRUCTION,	\$32.54
09/21/2023	JN00507	Net Pay	\$72,479.79
09/21/2023	JN00507	Total Tax	\$18,663.28
09/22/2023	51690	Ace Hardware (Johnson Lumber Co.)	\$217.25

09/22/2023	51691	Anne Muraski	\$6,000.00
09/22/2023	51692	Atlas Copco Compressors LLC	\$1,055.82
09/22/2023	51693	Bianchi Kasavan & Pope, LLP	\$35.00
09/22/2023	51694	Brenntag Pacific, Inc.	\$16,162.87
09/22/2023	51695	Brigantino Irrigation	\$50.17
09/22/2023	51696	Calcon System, Inc.	\$2,035.81
09/22/2023	51697	City of Hollister-Finance Dept	\$423,633.84
09/22/2023	51698	De Lay & Laredo	\$3,916.50
09/22/2023	51699	Eva Green Power	\$465,142.69
09/22/2023	51700	Extreme Air, Inc.	\$465.00
09/22/2023	51701	First Trust Alarm Company	\$753.00
09/22/2023	51702	Foster & Foster, Inc.	\$3,600.00
09/22/2023	51703	Mid Valley Supply	\$615.43
09/22/2023	51704	Petty Cash	\$90.00
09/22/2023	51705	Rain for Rent	\$5,921.89
09/22/2023	51706	Toro Petroleum Corp.	\$3,138.25
09/22/2023	51707	True Value Hardware	\$173.22
09/22/2023	51708	U.S. Bank Corporate Payment Systems	\$5,622.55
09/22/2023	51710	UWUA Local 820	\$784.72
09/25/2023	51714	Ace Hardware (Johnson Lumber Co.)	\$442.67
09/25/2023	51715	Atlas Copco Compressors LLC	\$1,055.82
09/25/2023	51715	Atlas Copco Compressors LLC Reversal	-\$1,055.82
09/25/2023	51716	Brenntag Pacific, Inc.	\$65,110.34
09/25/2023	51717	Brigantino Irrigation	\$223.44
09/25/2023	51718	Calcon System, Inc.	\$3,954.82
09/25/2023	51719	Calgon Carbon Corporation	\$71,697.79
09/25/2023	51720	Greenwood Chevrolet	\$1,055.23
09/25/2023	51721	Hach Company	\$756.67
09/25/2023	51722	Hollister Auto Parts, Inc.	\$91.55
09/25/2023	51723	Iconix Waterworks (US) Inc.	\$1,122.09
09/25/2023	51724	J M Electric	\$1,306.50
09/25/2023	51725	Mc Crometer, Inc.	\$371.30
09/25/2023	51726	Mc Master-Carr	\$119.15
09/25/2023	51727	Metropolitan Compounds Inc	\$3,957.77
09/25/2023	51728	O'Reilly Auto Parts	\$235.72
09/25/2023	51729	San Benito Tire Pros & Automotive	\$25.00
09/25/2023	51730	Veolia Water Technologies	\$7,025.43
09/25/2023	51731	SHAWNA MCKENZIE	\$6.15
09/25/2023	51732	MARTIN & LALENA CARTER	\$124.93
09/25/2023	51733	MARY & RANDY UBER	\$24.17
09/25/2023	51734	GLORIA CONNALLY & ROBIN ALLEN	\$33.26
09/25/2023	51735	JAMI L & MICHAEL D CARLOTTA	\$164.61
09/25/2023	51736	SELAM TEKLE & ALEM BERHANE	\$34.19
09/28/2023	ACH2701	CalPERS - Retirement	\$23.08
09/28/2023	ACH2702	CalPERS - Retirement	\$7,777.37
09/28/2023	ACH2703	CalPERS - Retirement	\$8,563.32
09/28/2023	ACH2704	Nationwide Retirements Solutions	\$9,156.61
09/28/2023	ACH2705	CalPERS - Health Insurance	\$25,255.86

-\$2,629,787.76

3. Receive Associate Engineer Monthly Status Report. (October Report Not Available)
4. Item F-4 Finance Manager Reports Moved to G-6 Under New Business.
5. Receive Superintendent Monthly Status Reports: a. Maintenance, b. City Meter Reading, and c. Groundwater Level Measurement.
6. Receive General Manager Monthly Status Report.

G. NEW BUSINESS:

1. **Authorize The General Manager To Purchase A Vac-Con Model VZ390LH/800 From Municipal Maintenance Equipment Inc. For A Cost Not To Exceed \$530,000 And To Surplus The 2009 Vac-Con Model V350LHA Purchased In 2020 (Not a project under CEQA per Article 20, Section 15378).**

O&M Crew Chief Dee J. Burbank was brought up to speak on the item, informing the board that the district's current Vac-Con is going to be subject to Tier 5 air quality standards; making the Vac-Con subject to annual inspections and reduced operating hours. In addition to these new regulations the maintenance of the older Vac-Con model regularly disrupts operations as small issues with the machinery takes it out of service for extended periods of time. General Manager Lander explained that although this was a purchase that was anticipated in the future, the circumstances surrounding the pricing of this Vac-Con are favorable to the district. The fact that this new vehicle would be deliverable 3 weeks from order with a considerable discount, due to the original purchaser not being able to complete the order, makes this an attractive value to the district.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Alcorn made a motion to authorize the General Manager to purchase a Vac-Con model VZ390LH/800 from Municipal Maintenance Equipment Inc. for a cost not to exceed \$530,000 and to surplus the 2009 Vac-Con model V350LHA purchased as a used vehicle in 2020. 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.

2. **Authorize General Manager To Extend A Professional Services Contract With San Benito Engineering & Surveying Inc. For Temporary Field Inspection Services not to exceed \$50,000 (Not a project under CEQA per Article 20, Section 15378).**

GM Lander presented a contract for temporary field inspection services not to exceed \$20,000 back in July 2023, but due to an ongoing struggle to find a new Associate Engineer the item is brought back to the board to increase the budget to \$50,000.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Alcorn made a motion to authorize General Manager to extend a professional services contract with San Benito Engineering & Surveying Inc. for temporary field inspection services not to exceed \$50,000. This motion was seconded by Director Mauro 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. Authorize The General Manager To Sign A Contract With Razzolink Inc. To Allow The Limited Lease Of A Location At The Ridgemark SBR For An Internet Service Antenna As Specified. (Not a project under CEQA per Article 20, Section 15378).

GM Lander spoke on the item, informing the board of Razzolink's request to place a low impact site antenna at the Ridgemark SBR, with an annual lease of \$6,000. Mr. Lander worked out that Razzolink would have to be in contact with the district if they needed to gain access to the antenna, but otherwise the antenna would not impact any daily facility operations.

Director Alcorn requested that the contract account for cost of living increases, to which General Manager Lander discussed adding that as a possible stipulation to the agreement to be approved at a later date by the finance committee.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Alcorn made a motion to authorize the General Manager to sign a contract with Razzolink Inc. to allow the limited lease of a location at the Ridgemark SBR for an internet service antenna; with the added stipulation that General Manager Lander will seek to negotiate a COLA contract with Razzolink. This motion was seconded by Director Buzzetta for which President Brown then took a roll call vote as follows: (JP), yes; (MA), yes; (EM) yes; (JB) yes; and (DB) yes; the motion carried 5-0.

4. Considered Authorizing And Directing The President Of The Board To Sign On Behalf Of The District, The Sewer Treatment And Disposal Agreement Presented, Ratifying A Mutual Agreement Between The City Of Hollister And Sunnyslope County Water District For Sewer Treatment Extended To Only Those Parcels Identified.

GM Lander presented this item informing the board that this agreement was drafted by the City of Hollister at the direction of their Board after three years of negotiations. This agreement includes conditions for sewer treatment to Gavilan College, Fairview Corners, The Lands of Lee Development and the Cielo Vista neighborhood.

President Brown then asked for any public comment. Michael Durke, the attorney representing Bill Lee for the Lands of Lee Project, raised his hand to speak on the matter. Mr. Durke discussed the item and requests that section 8A & 8D be removed from the agreement. In removing these sections, it allows for a temporary septic system to be utilized if sewer services cannot be set up in a timely manner. Mr. Durke hit his three speaker minutes and was given special approval by President Brown to continue speaking. Mr. Durke finished by informing the board it might be in their best interest to approve the contract with and without the stipulations being requested in the event the other entities needing to approve the contract approve either of the versions.

After public comment, President Brown requested a motion to approve the item. Director Buzzetta made a motion to consider authorizing and directing the President of the board to sign on behalf of the district, the sewer treatment and disposal agreement presented, ratifying a mutual agreement between the City Of Hollister and Sunnyslope County Water District for sewer treatment extended to only those parcels identified; with and without the added stipulation taking out sections 8A & 8D of the agreement. This motion was seconded by Director Alcorn for which President Brown then took a roll call vote as follows: (MA), yes; (JP), yes; (JB) yes; (EM) yes; and (DB) yes; the motion carried 5-0.

5. Considered Authorizing And Directing The Board President To Sign A Resolution Authorizing The General Manger To File A Financial Assistance Application With The DepartmentOf Water Resources On Behalf Of Best Road Mutual Water Company (BRMWC).

GM Lander brought this item to the board seeking approval to file a financial assistance application with the Department of Water Resources on behalf of Best Road Mutual Water Company. Sunnyslope has been working with Best Roads for the last year on grants being utilized for consolidating water services and in order to pursue an additional grant the Department of Water Resources requires the district complete the attached resolutions.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Alcorn made a motion to considered authorizing and directing the Board President to sign a resolution authorizing the General Manger to file a financial assistance application with the Department Of Water Resources on behalf Of Best Road Mutual Water Company. 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.

6. Finance Manager Monthly Status Reports

Director Buzzetta requested this item pulled from F4 and brought to new business for comments/discussion regarding our ongoing increased operating costs from operating both water plants at full capacity as directed by SBCWD-GM.

Back at the June 2023 Board Meeting directors were asked to approve the Fiscal Year 2023-2024 budget which reflected a net loss of \$1.6 million due to increased operating costs. Other than inflation, the sole increase in operational costs was due to SBCWD GM's direction for us to run both treatment plants at full capacity. The reason given for this was that in future drought years, the State may give our County higher water allocations based on this increased usage. Director Buzzetta inquired if the State had put it in writing-to SBCWD-that they would guarantee additional water allocations to our County in future drought years based on running our plants at full capacity and was told, no they had not. Director Buzzetta then inquired why our board would agree to such a huge expense with no ROI on that spending? Director Buzzetta stated our expense of running the plants at full capacity was not an appropriate or fiduciary use of our constituents/ratepayer's money, given that this additional spending/cost is in no way correlated to actually receiving higher allocations from the State, because we've seen how in our last drought, the State can-and did-reduce our allocations to 50%, then 20%, then 0%, at their sole discretion.

At the June 2023 Board Meeting the budget was approved, but with Director Buzzetta's added motion stipulation that staff must provide a bimonthly report on the expenses (raw water, chemicals, energy, increased plant maintenance and personnel costs) directly related to running both water plants at full capacity, so if the costs were significant, the board could address this issue based on the facts presented.

Director Buzzetta spoke about the facts as they have now become known over the past 8 months of operating both plants at full capacity: that the costs are over \$130,000 a month-for the COH and us together, that there is nothing in writing from the State or SBCWD, that guarantees this spending will bring us a higher water allocation in drought years, that spending our constituent & ratepayer money for this is not appropriate, nor fulfills our fiduciary duty, that this spending will statistically skew our costs arbitrarily higher and therefore misrepresent, our normal operating costs in our upcoming water rate hike process (Proposition 218/26), to the higher side and thereby unfairly increase our

constituents/ratepayers costs based on SBCWD GM's unsubstantiated direction for us to do so. Additionally, SBCWD is not paying any money towards this travesty, as only COH constituents & ratepayers and our constituents & ratepayers are bearing the full brunt of the costs-whereas SBCWD should be billed for their cost share of 1/3 total costs back to May, as well as going forward.

Director Buzzetta would like to see the District stop running both water plants at full capacity, go back to a 60/40 blend that balances water quality with its associated costs (saving \$130,000 a month), versus the current 85/15 blend, (costing \$130,000 a month with only marginal water quality gains and the outcomes were not fully vetted and all facts-as noted above-disclosed to this board previously), which would significantly lower all constituents & ratepayers costs, by lowering raw water and production costs, ensure a proper and fair nexus for our constituents & rate payers future rate increase (prop. 218/26) & comply with our operational & HUAWMP agreements.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Mauro made a motion to approve the Finance Manager's monthly status reports. This motion was seconded by Director Buzzetta for which President Brown then took a roll call vote as follows: (MA), yes; (JP), yes; (EM) yes; (JB) yes; and (DB) yes; the motion carried 5-0.

H. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** (No meeting)
2. **Water/Wastewater Committee:** (Meeting held September 27th, 2023)
3. **Finance Committee:** (No meeting)
4. **Policy and Procedure Committee:** (No meeting)
5. **Personnel Committee:** (Meeting Held September 15th, 2023)
6. **Water Resources Association of San Benito County (WRA):** (No meeting)


I. BOARD and STAFF REPORTS

1. **Directors:** No Report.
2. **District Counsel:** Attorney Michael Laredo reported that an upcoming mediation will be taking place November 7th for the pending lawsuit. Additionally, counsel reported that General Manager Lander is due for his annual evaluation in November.
3. **General Manager:** GM Lander reported on current progress with the City sewer contract indicating it is moving forward slowly on the operation of the IWTP and that is going well at this time, and the status of the Solar installation is moving forward as the permit for the County of San Benito has been issued.

J. FUTURE AGENDA ITEMS: Willow Landing Development Agreement, Fairview Corners Development Agreement, Gavilan College Development Agreement, and San Benito County/SSCWD- Cielo Vista Sewer Collection Agreement.

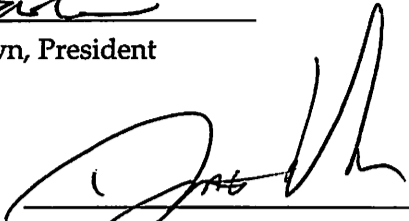
K. ADJOURNMENT: President Brown adjourned the meeting at 7:41 p.m.

APPROVED BY THE BOARD:



Dorothy J. L. Brown, President

RESPECTFULLY SUBMITTED:



Drew A. Lander, Secretary