

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
June 15, 2021

A. CALL TO ORDER: The meeting was called to order at 5:15 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, Vice President James Parker, and Director Alcorn. Director Judi Johnson arrived at 5:21.

B. PLEDGE OF ALLEGIANCE: Attorney Heidi Quinn led Directors and staff in the Pledge of Allegiance.

C. APPROVAL OF AGENDA: Upon a motion made to approve the agenda by Director Alcorn, seconded by Director Parker, for which President Buzzetta (JB) then took a roll call vote as follows: Directors Alcorn, (MA), yes; Parker (JP), yes; and President Buzzetta (JB) yes; the motion carried 3-1, Director Johnson absent.

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.

Staff Present for Open Session: In Person: General Manager/Secretary Drew Lander, Executive Assistant/Stenographer Carol Porteur, Water/Wastewater Superintendent Jose Rodriguez, Associate Engineer Rob Hillebrecht; and Attorney Heidi Quinn.

Via Teleconference: Attorney Michael Laredo, Maureen Riley and Arden Wells from Todd Groundwater.

E. CONSENT AGENDA:

1. Approval of Minutes – The Board reviewed the minutes for the Regular Meeting of May 18, 2021.
2. Associate Engineer Monthly Status Report.
3. W/WW Superintendent Monthly Status Reports: a. Maintenance, b. City Meter Reading, and c. Groundwater Level Measurement.
4. General Manager Monthly Status Report.

General Manager Lander explained that he will be giving a verbal update on the Allowance of Claims and the Finance Manager Monthly Report under Status Reports.

Upon a motion made by Director Alcorn to approve the Consent Agenda as amended, seconded by Director Parker, for which President Buzzetta (JB) then took a roll call vote as follows: Directors Alcorn, (MA), yes; Parker (JP), yes; and President Buzzetta (JB) yes; the motion carried 3-1, Director Johnson absent.

F. NEW BUSINESS:

1. **2020 URBAN WATER MANAGEMENT PLAN UPDATE:** Maureen Riley and Arden Wells from Todd Groundwater gave a presentation on the 2020 Urban Water Management Plan Update.

Maureen Riley provided a summary of the Urban Water Management Plan requirements and explain that this plan is required by the State of California as a planning tool and to provide the district access to State water supply grants and loans in the future. Maureen summarized the public hearings which have been held and the next steps for approval. Maureen explained that both the City of Hollister and San Benito County Water District have also held public hearings prior to hearing adopting the completed document.

Upon a motion made by Director Alcorn, to approve Resolution of the Board #556 adopting the 2020 Urban Water Management Plant Update and authorizing the President to sign said Resolution, 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; and President Buzzetta (JB)yes; the motion carried 4-0.

- 2. CONSIDER ADOPTION AND APPROVAL OF THE DISTRICT BUDGET FOR FISCAL YEAR 2021/22:** General Manager/Secretary Lander stated that the numbers presented in the preliminary budget review at the June 8th board meeting remain unchanged. During COVID 19 there have not been any late fees collected and moving forward there will be planning for fees.

Mr. Lander reported the drought has invoked more water conservation, and the District has collected about 250 new connections this year which means additional water sales. The connection fees will continue to be capitalized and adjusting policies will specify the reserves.

One focus will be on the CEPPT capital project and paying off the City National Loan as well as establishing further policies to formally place in designated reserves funds as indicated in the budget. This year staff will provide the Board with polices for an Earthquake & Emergency Reserve, Rate Stabilization Reserve, and Drought Contingency Reserve. The sum of these designated reserves along with existing policy will effectively establish \$7,614,84 in Board designated reserves.

Water revenue budget proposed for the new fiscal year is proposed to increase 1.5% over last year as conservation will decrease usage however new connections have increased users. Both the Lessalt and West Hills WTP's revenue is based on their FY 21/22 operating budgets, which have been submitted for review to SBCWD. The treatment plant budgets have increased 9% due to audit findings that labor rates were not fully burdened rates. These have been adjusted for this year. Total revenue increases by \$540,000 in FY 21/22 with the expected additional water sales and also the addition of the San Benito Foods pond operations contract.

The overall budget of FY 21/22 reflects a net loss of \$1,244,005, with no provision for non-operating revenues from capacity fees, miscellaneous fees, or interest income, the combination of which will likely cover the projected loss and result in a net income for the year.

Upon a motion made by Director Alcorn, to approve the FY 21/22 Budget as presented, and 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; and President Buzzetta (JB)yes; the motion carried 4-0.

G. BOARD COMMITTEE and STATUS REPORTS

- 1. Finance Manager Monthly Status Report:** General Manager/Secretary Lander reported that there are not significant changes to report, and he will attempt to have the usual reporting method back for the July board meeting depending on staffing.
- 2. Allowance of Claims for Disbursement from May 1, 2021 through May 31, 2021:** General Manager/Secretary Lander reported that the full disbursement report for May 1, 2021 through June 30, 2021 will presented at the July board meeting.

3. **Governance Committee:** No meeting held.
4. **Water/Wastewater Committee:** No meeting held.
5. **Finance Committee:** President Buzzetta reported that a meeting was held on June 4th for a review of the Preliminary Budget for FY 2021-22 which was on tonight's agenda.
6. **Policy and Procedure Committee:** No meeting held.
7. **Personnel Committee:** No meeting held.
8. **Water Resources Association of San Benito County (WRA):** Director Johnson reported that a meeting was held June 3rd. Discussion was held on water conservation, updating various ordinance on new development, update on the UWMP and SGMA, and the drought outreach.

H. BOARD and STAFF REPORTS

1. **Directors:** No report.
2. **District Counsel:** Attorney Heidi Quinn reported that the end of June is her last day with DeLay and Laredo and has enjoyed working with staff for the past 8 years and sees the District heading in a good direction. Board members all gave Ms. Quinn their regards and wished her well with her new job.
3. **General Manager:** General Manager/Secretary Lander gave an update on the COVID-19 reporting that the Governor has extended the shut offs until September 30th. Staff have continued to get past due customers to pay their bills, the past due amount has dropped about \$40,000 still leaving unpaid at \$150,000. Mr. Lander stated the majority of the past due paid has been due to the liens placed on properties and has had several homeowners contact him regarding our ordinance.

General Manager/Secretary Lander reported that the plan is to reopen the office the first part of July and will be giving out masks and hand sanitizer. There will also be a self-service computer at the front counter so that customers can pay their bills without dealing directly with staff.

Mr. Lander reported on the SGMA TAC stating that the program update has been completed but will pick up again and continue next phase planning, at this time there has not be a date set for the future meetings.

I. FUTURE AGENDA ITEMS: None

J. ADJOURNMENT: President Buzzetta adjourned the meeting at 6:11 p.m.

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

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