

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
July 21, 2020

A. CALL TO ORDER: The meeting was called to order at 4:30 p.m. by President Parker, 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.

B. ROLL CALL: Present In Person: Vice President Jerry Buzzetta, and Director Mike Alcorn, Director Judi Johnson, President James Parker and Director Ann Ross.

C. 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.

Staff Present for Closed Session: In Person: General Manager/Secretary Drew Lander, and
Via Teleconference: Attorney Michael Laredo.

D. CLOSED SESSION (PURSUANT TO Government Code Section 54956.9(b) and 54957.6: At 4:32 p.m., President Parker closed the meeting to the public to discuss the following:

1. **Conference with Legal Counsel** – Anticipated Litigation, Gov. Code § 54956.9(b): – One case.
2. **Labor Negotiation Discussion** – Management Negotiations Update, Gov. Code § 54957.6

President Parker reconvened the meeting to open session at 5:20 p.m.

E. PLEDGE OF ALLEGIANCE: Director Ross led Directors and staff in the Pledge of Allegiance.

F. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION: Attorney Michael Laredo reported on the first item, Anticipated Litigation, Gov. Code § 54956.9(b), stating that a status report was given to the Board, and that no action was taken. Attorney Laredo addressed the second item, Management Negotiations Update, Gov. Code § 54957.6, by reporting that direction was given, and no reportable action was taken.

G. APPROVAL OF AGENDA: Upon a motion made by Director Johnson, seconded by Director Alcorn, for which President Parker then took a roll call vote as follows: Director

Alcorn (MA), yes; Director Buzzetta (JB), yes; Director Johnson (JJ), yes; Director Ross (AR), yes; and President Parker (JP), yes; the motion carried 5-0.

H. 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 comment was made.

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

I. CONSENT AGENDA:

1. Approval of Minutes – The Board reviewed the minutes for the Regular Meeting of June 16, 2020.
2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of June 9, 2020 through July 13, 2020, totaling \$1,133,271.22, which includes \$899,180.10 for payments to vendors, \$231,367.61 for Payroll – employee and director, and \$2,723.51 for customer refunds and checks returned. The last “ACH” # (electronic payments) was ACH #1754, the last “DD” # (direct deposit-electronic employee payments) was DD #2952, and the last check written was check #28181.

Date	Number	Name	Amount
06/15/20	ACH 1733	EFTPS	-652.12
06/10/20	ACH 1734	RETURNED CHECK	-218.51
06/16/20	ACH 1735	RETURNED CHECK	-54.73
06/17/20	ACH 1736	RETURNED ACH	-170.52
06/17/20	ACH 1737	RETURNED ACH	-295.70
06/17/20	ACH 1738	RETURNED ACH	-125.60
06/17/20	ACH 1739	RETURNED ACH	-185.20
06/17/20	ACH 1740	RETURNED ACH	-402.58
06/17/20	ACH 1741	RETURNED ACH	-140.68
06/30/20	ACH 1742	EFTPS	-25,782.28
06/30/20	ACH 1743	Employment Dev. Dept. (EDD) DE88 Pmts.	-11,187.05
06/30/20	ACH 1744	CalPERS - Retirement	-1,036.00
06/30/20	ACH 1745	CalPERS - Retirement	-6,033.03
06/30/20	ACH 1746	CalPERS - Retirement	-24,530.25
06/30/20	ACH 1747	CalPERS - Retirement	-50.00
07/01/20	ACH 1749	North American Bancard	-1,294.19

Date	Number	Name	Amount
07/01/20	ACH 1750	RETURNED CHECK	-74.59
07/03/20	ACH 1751	North American Bancard	-1,313.87
07/09/20	ACH 1754	American Express	-30.73
06/15/20	DD 2925	Alcorn, Michael H.	-608.45
06/15/20	DD 2926	Buzzetta, Jerry T	-877.33
06/15/20	DD 2927	Johnson, Judi H.	-855.50
06/15/20	DD 2928	Parker, James F	-507.93
06/15/20	DD 2929	Ross, Ann C.	-320.23
06/30/20	DD 2930	Alvarez, Abel	-5,649.00
06/30/20	DD 2931	Bernal, Melissa M	-2,894.71
06/30/20	DD 2932	Boltz, William K	-7,148.67
06/30/20	DD 2933	Burbank, Jr., Dee J.	-6,336.51
06/30/20	DD 2934	Castro, Kevin G.	-6,661.31
06/30/20	DD 2935	Cervantes, Jr., Adan S.	-5,306.09
06/30/20	DD 2936	Chavez, Jr., Manuel T.	-8,420.10
06/30/20	DD 2937	Eclarin, Ernesto P.	-6,611.44
06/30/20	DD 2938	Foster, Travis J	-6,904.27
06/30/20	DD 2939	Hernandez, Bazilio	-6,380.24
06/30/20	DD 2940	Hillebrecht, Robert B.	-5,410.42
06/30/20	DD 2941	Lander, Drew A	-10,676.85
06/30/20	DD 2942	Malko, Kim A.	-3,992.22
06/30/20	DD 2943	Padilla, David	-6,519.56
06/30/20	DD 2944	Perez Bribiesca, Diego	-4,492.49
06/30/20	DD 2945	Porteur, Carol A.	-3,344.96
06/30/20	DD 2946	Quick, Troy E.	-6,776.93
06/30/20	DD 2947	Roberts, Kelly L.	-4,813.83
06/30/20	DD 2948	Rodriguez, Jose J.	-7,717.96
06/30/20	DD 2949	Vargas Garcia, Michael J	-4,985.23
06/30/20	DD 2950	Vasquez-Herrera, Luis M.	-4,610.42
06/30/20	DD 2951	Watson, Scott A.	-7,932.13
06/30/20	DD 2952	Zavala, Anabel G.	-4,454.92
06/15/20	28079	Watson, Scott A.	-64.72
06/15/20	28080	AARON & SANDRA HUGHES	-301.10
06/15/20	28081	JEFFREY & KAREN WRIGHT	-55.15
06/15/20	28082	A-1 Services	-844.00
06/15/20	28083	Ag. Commissioner San Benito Co.	-239.23
06/15/20	28084	Auto Tech Service Center, Inc.	-69.00
06/15/20	28085	B.S.K. Analytical Laboratories, Inc.	-600.00
06/15/20	28086	Badger Meter, Inc.	-132,654.75
06/15/20	28087	Brenntag Pacific, Inc.	-17,501.17
06/15/20	28088	Calgon Carbon Corporation	-48,402.00
06/15/20	28089	Central Ag Supply LLC	-271.49

Date	Number	Name	Amount
06/15/20	28090	Green Valley Farm Supply, Inc	-1,942.32
06/15/20	28091	John Smith Road Landfill	-1,424.65
06/15/20	28092	Postmaster	-240.00
06/15/20	28093	RJR Recycling	-1,500.00
06/15/20	28094	San Benito County Water District	-283.00
06/15/20	28095	Trans Union LLC	-125.08
06/15/20	28096	EBCO Pest Control	-60.00
06/15/20	28098	National Assoc. of Clean Water Agencies	-750.00
06/15/20	28099	San Benito County Water District	-323,121.96
06/16/20	28100	Postmaster	-1,386.39
06/25/20	28101	Ace Hardware (Johnson Lumber Co.)	-245.43
06/25/20	28102	B.S.K. Analytical Laboratories, Inc.	-300.00
06/25/20	28103	Brenntag Pacific, Inc.	-54,294.78
06/25/20	28104	Calcon System, Inc.	-1,297.50
06/25/20	28105	Bianchi Kasavan & Pope, LLP	-313.50
06/25/20	28106	Central Ag Supply LLC	-510.83
06/25/20	28107	De Lay & Laredo	-2,429.50
06/25/20	28108	Ferguson Enterprises, Inc.	-188.67
06/25/20	28109	First Trust Alarm Company	-698.00
06/25/20	28110	Grainger, Inc.	-78.94
06/25/20	28111	Hach Company	-1,324.79
06/25/20	28112	Inland Water Works Supply Co	-8,313.60
06/25/20	28113	Konica Minolta Premier Finance	-416.76
06/25/20	28114	Mc Master-Carr	-50.86
06/25/20	28115	Mid Valley Supply	-125.40
06/25/20	28116	Pinnacle Agriculture	-785.97
06/25/20	28117	Premier Access Insurance Co.	-3,450.23
06/25/20	28118	RJR Recycling	-2,000.00
06/25/20	28119	Tesco Controls Inc	-820.00
06/25/20	28120	USA Blue Book	-944.28
06/25/20	28121	Verizon Wireless	-271.63
06/25/20	28122	W.S. Darley & Co.	-372.17
06/25/20	28123	WECO Industries	-5,255.11
06/25/20	28124	UWUA Local 820	-850.00
06/29/20	28125	ROBERTA & GREGORY BABER	-121.72
06/29/20	28126	BARRY BRADY	-181.81
06/29/20	28127	DAWN, RALPH OR DARLENE HERRERA	-158.28
06/26/20	28128	Nationwide Retirements Solutions	-20,037.18
06/26/20	28129	Toro Petroleum Corp.	0.00
06/26/20	28130	Toro Petroleum Corp.	-1,354.73
06/29/20	28131	Postmaster	-2,196.25
06/30/20	28132	VOID - Cloud / Water Smart	0.00

Date	Number	Name	Amount
07/02/20	28133	JESUS OSEGURA	-237.34
07/02/20	28134	Ace Hardware (Johnson Lumber Co.)	-182.90
07/02/20	28135	AT&T	-641.12
07/02/20	28136	Auto Tech Service Center, Inc.	-870.00
07/02/20	28137	Badger Meter, Inc.	-1,540.88
07/02/20	28138	Bracewell Engineering, Inc.	-607.00
07/02/20	28139	Brenntag Pacific, Inc.	-8,324.46
07/02/20	28140	Brigantino Irrigation	-24.65
07/02/20	28141	Central Ag Supply LLC	-626.33
07/02/20	28142	Hach Company	-4,938.25
07/02/20	28143	Hollister Auto Parts, Inc.	-341.95
07/02/20	28144	Mission Uniform Service	-1,277.94
07/02/20	28145	O'Reilly Auto Parts	-190.43
07/02/20	28146	Palace Business Solutions	-86.55
07/02/20	28147	Petty Cash	-29.69
07/02/20	28148	Postmaster	-78.00
07/02/20	28149	Razzolink.com	-76.95
07/02/20	28150	True Value Hardware	-57.72
07/02/20	28151	USA Blue Book	-4,390.91
07/02/20	28152	Veolia Water Technologies	-58,827.60
07/08/20	28153	Iconix Waterworks (US) Inc.	-6,568.14
07/13/20	28154	Padilla, David	-169.28
07/13/20	28155	Porteur, Carol A.	-69.87
07/13/20	28156	Alvarez, Abel	-173.20
07/13/20	28157	Hernandez, Bazilio	-168.33
07/13/20	28158	Porteur, Carol A.	-54.95
07/13/20	28159	AT&T	-797.06
07/13/20	28160	Bracewell Engineering, Inc.	-272.00
07/13/20	28161	Brenntag Pacific, Inc.	-41,137.18
07/13/20	28162	Brigantino Irrigation	-43.44
07/13/20	28163	California Pipe Fabricators	-9,559.38
07/13/20	28164	CalVista Insurance Agency Inc.	-76,603.00
07/13/20	28165	Central Ag Supply LLC	-85.52
07/13/20	28166	CM Analytical, Inc.	-23,327.50
07/13/20	28167	EBCO Pest Control	-60.00
07/13/20	28168	ERA Safety Solutions LLC	-350.73
07/13/20	28169	Hach Company	-728.38
07/13/20	28170	John Smith Road Landfill	-3,837.60
07/13/20	28171	Mc Master-Carr	-395.24
07/13/20	28172	P G & E	-24,635.00
07/13/20	28173	Postal Graphics	-7.37
07/13/20	28174	Recology San Benito County	-208.63

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
07/13/20	28175	RJR Recycling	-750.00
07/13/20	28176	Staples Advantage	-212.99
07/13/20	28177	Star Concrete	-124.55
07/13/20	28178	State Water Resources Control Brd-WWOPCP	-120.00
07/13/20	28179	Toro Petroleum Corp.	-1,183.61
07/13/20	28180	Trans Union LLC	-132.07
07/13/20	28181	U.S. Bank Corporate Payment Systems	-2,134.27
			\$ -1,133,271.22

3. Associate Engineer Monthly Status Report.
4. Finance Manager Monthly Status Reports: a. Narrative Report, b. Operation Summary, c. Statement of Income, and d. Investment Summary.
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, seconded by Director Alcorn, and for which President Parker then took a roll call vote as follows: Directors MA, yes; JB, yes; JJ, yes; AR, yes; and President JP, yes; the motion carried 5-0.

J. NEW BUSINESS:

1. **CONSIDER APPROVAL AND AUTHORIZE THE PRESIDENT TO SIGN AN AGREEMENT FOR WATER FACILITIES AND SERVICE FOR THE CERRO VERDE DEVELOPMENT:** Associate Engineer Rob Hillebrecht stated that the proposed Cerro Verde Development is a 4.3 acre infill housing development adjacent to and east of El Cerro Dr. at Sawtooth Dr. just south of Hillcrest Rd. as shown in the picture provided. It involves the creation of 19 new single family residences, widening of El Cerro Dr., extension of Sawtooth Dr. to El Cerro Dr., a new cul-de-sac, and a storm water retention pond. District staff have reviewed the Improvement Plans to ensure that they meet all District standards and requirements. This development will incrementally improve the connectivity and circulation of the District’s water distribution system in this area by tying the main in Sawtooth Dr. to that in El Cerro Dr. The developer must also install several new valves on the existing water main in El Cerro which will limit the potential impact and extent of future water shutdowns for leaks or maintenance.

The Agreement which was attached to the staff report is the District's standard agreement for water facilities and service to a new development. The District currently has the capacity and ability to serve this development with potable water. Yet the Agreement acknowledges the District's right to terminate the Agreement if severe drought or other unforeseen circumstances significantly limit its ability to serve additional development.

Mr. Hillebrecht stated that the developer will pay for all related District costs through the Deposit explained in Section 5 of the Agreement, along with water capacity charges and meter set fees for each new unit. The capacity charge is currently \$11,700.00 and has been adjusted up in accordance with the Engineering News Record Construction Cost Index for San Francisco on July 1st. The meter set fee is currently \$405.00.

Director Johnson asked Mr. Hillebrecht to explain the process in the signing of an agreement for water services, to which Mr. Hillebrecht thoroughly explained the full process.

Director Buzzetta inquired about the warranty clause included in the contract, asking if a longer warranty period could be extended and Mr. Hillebrecht explained that the Industry Standard is a one year warranty, but he and General Manager/Secretary Lander stated they could possibly extend that time frame and would look into it.

Director Alcorn asked about the termination of the contract with regard to the "Sunset Date", which allows either party to rescind without penalty if the developer is unable to fulfill their obligations as stipulated in the contract. General Manager/Secretary Lander stated that is covered in the "Termination" clause of the agreement.

President Parker stated that the map shows 20 lots, but the request is for creation of 19 new single family residences, and Mr. Hillebrecht explained that the 20th lot is for a detention pond.

Mr. Lander stated that President Parker pointed out a couple of typographical errors in the contract, which he stated will be corrected before the signing of the agreement.

Upon a motion made by Director Alcorn to approve and authorize the President to sign an agreement for water facilities and service for the Cerro Verde Development, seconded by Director Johnson, and for which President Parker then took a roll call vote as follows: Directors MA, yes; JB, yes; JJ, yes; AR, yes; and President JP, yes; the motion carried 5-0.

2. **AUTHORIZE THE GENERAL MANAGER TO CONTRACT WITH EXCEEDIO INC. FOR INFORMATION TECHNOLOGY (IT) SERVICES ON A MONTHLY SERVICE BASIS NOT TO EXCEED \$2,500/MO:** General Manager/Secretary Lander

stated that the District has grown significantly in the past 10 years yet the technology investment of the District has not kept up with needs for electronic security, software maintenance and hardware capital costs relating to computers and internet needs.

Exceedio Inc. is a full service IT management service with extensive expertise in the implementation and management of office security and network systems. They will be taking the lead in the implementation of corporate server modifications to enhance worker efficiency.

The services provided by Exceedio Inc. are required to prepare the backbone needed to take the additional steps toward the implementation of the planned enterprise accounting software program. This program will integrate with both the payment processing needs of the District but also provide purchase order and electronic tracking of all documents. Exceedio Inc. will be providing all staff with online security training and they will manage all workstation security credentials to provide the strongest protection against malicious internet attacks. Mr. Lander added that the company has local employees which will also provide quick service.

General Manager/Secretary Lander stated that managed services are estimated to cost \$2,224.05/month based on the scope of services provided by Exceedio Inc. Staff estimates that with adjustments and modifications to services rendered over the proposed contract term of 60 months the monthly fee will not exceed \$2,500. The \$2,500 would cover the devices the District currently has, but if any new devices were purchased, the cost would increase accordingly. The contract may be terminated at any time with a proposed 60 month term, and the District would incur the penalty of the set up fees which are waived at the inception of the contract, in the amount of \$7,480. Mr. Lander added that the annual cost of these services were contemplated in the contractual services of the annual budget. There was discussion on showing the cost for this service as a separate line item, and General Manager/Secretary Lander stated that future budgets will do so.

Upon a motion made by Director Johnson to authorize the General Manager to contract with Exceedio Inc. for Information Technology (IT) services on a monthly service basis not to exceed \$2,500/mo., seconded by Director Ross, and for which President Parker then took a roll call vote as follows: Directors MA, yes; JB, yes; JJ, yes; AR, yes; and President JP, yes; the motion carried 5-0.

K. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** No meeting held.
2. **Water/Wastewater Committee:** No meeting held.

3. **Finance Committee:** No meeting held.
4. **Policy and Procedure Committee:** No meeting held.
5. **Personnel Committee:** President Buzzetta reported that the committee met on July 20th for a closed session meeting to discuss Management Staff Labor Negotiations.
6. **Water Resources Association of San Benito County (WRA):** President Parker reported that the meeting was canceled and tentatively the next meeting is scheduled for August 6, 2020.

L. BOARD and STAFF REPORTS

1. **Directors:** Director Buzzetta complimented Finance and Human Resource Manager, Travis Foster and Carol Porteur for completing payroll in house on such short notice when ADP advised they were unable to process the first payroll as scheduled, due to not having all components in place and ready to go.

Director Buzzetta commented on the addition of the Board Designated Reserves report included in the board packet, stating this is helpful information in understanding where the District's funds are designated.

Director Johnson stated that she is happy to see all staff in attendance of the meeting, as on occasion, a staff member is out for one reason or another.

Director Johnson complimented General Manager/Secretary Lander on the addition of an overview page added to the Water Quality Report, written in Spanish for the Spanish speaking customers, which he prepared himself.

Director Johnson also pointed out that one of the conditions of hire for Drew Lander was the completion of the Master's Program, stating that he has submitted this documentation demonstrating completion and is awaiting confirmation from the University. General Manager/Secretary Lander stated that due to COVID 19, the individual needed to complete the review is unavailable, but he will continue to pursue this paperwork.

2. **District Counsel:** No report
3. **General Manager:** General Manager/Secretary Lander gave an update on the COVID-19 situation stating that there was consideration of re-opening the office until there were

increasing cases in the community and reports of another shut down. Staff has been asked to renew their efforts to follow all local and State protocols and to wear their mask at all times unless they are at their own workstation. A renewed interest in protecting one another is occurring and hand sanitizers have been installed throughout the office. General Manager/Secretary Lander has implemented an “open-door” policy for each employee to discuss their own situation regarding the pandemic with him if there are concerns.

Customers continue to fall behind on their payments, last month there were 428 reported late accounts and this month the number has increased to 504. The increase is from the past 2 months, with a substantial loss of revenue. Finance & Human Resource Manager Foster is tracking the late fees that would have been collected and other COVID-19 related expenses, with approximately a \$44,000 loss since the inception of the pandemic.

Staff is currently working on a plan to communicate with customers to bring their accounts current or schedule a payment arrangement. Due to the mandated shut-off restrictions, customers currently are not being shut off. Staff is also working on a procedure to identify that the unpaid customer’s situation is due to the pandemic, and not just because of a lack of payment.

General Manager/Secretary Lander reported on improvements happening in the District, one being the purchase of a new jetter nozzle for the sewer jetter trailer which has improved the cleaning out of the lines in the wastewater system, and has reduced backup and odor.

The Ridgemark II Lift Station was having trouble keeping solids out of the wet well; problems with the system backing up; and not being able to get proper readings. Initially installing a grinder was considered but the cost of the equipment plus the electrical installation would have been between \$50,000 and \$70,000. The alternative was to convert the existing pump to a chopper/grinder pump, which has proven to have better performance and is more successful and for minimal additional cost.

Due to lack of staff, the weed spraying within the District had fallen behind, but now that the District is fully staffed, this project has been completed.

General Manager/Secretary Lander reported that Water/Wastewater Superintendent Rodriguez has been negotiating the chemical costs with our provider, and purchasing in bulk quantity has proven to save the District about \$2,100 just in this last month.

Water plant operators are now meeting on Wednesday mornings, and with these meetings they are communicating with each other and coming up with productive ideas.

General Manager/Secretary Lander reported that the West Hills Water Treatment Plant is currently running at 4 MGD which means producing more and selling more water. The decrease in chemicals has reduced the cost of operation, even with the increase in production.

There is still testing that needs to be done at the West Hills WTP, but the piping needs to be installed. Staff is continuing to work on getting prices from contractors.

M. FUTURE AGENDA ITEMS: Amending the General Manager's contract.

N. ADJOURNMENT: President Parker adjourned the meeting at 6:13 p.m.

APPROVED BY THE BOARD: James F. Parker
James F. Parker, President

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