

# Sunnyslope County Water District

## A G E N D A

JANUARY 19, 2021

REGULAR BOARD MEETING: 5:15 PM

**CLOSED SESSION: WILL IMMEDIATELY FOLLOW THE REGULAR MEETING**

District Office Board Room



3570 Airline Hwy., Hollister, CA

AS AUTHORIZED BY THE STATE OF CALIFORNIA EXECUTIVE ORDER N-25-20 PUBLIC ACCESS TO DISTRICT MEETINGS CAN BE OBTAINED THROUGH THE FOLLOWING ACCESS POINTS:

Join from PC, Mac, Linux, iOS or Android:

<https://zoom.us/j/95593940731?pwd=ZEVcYW51Ymdad1FRt1J1Tm12Q3BUdz09>

Password: SSCWD

Or Telephone: Dial + 1 (669) 900-9128 and when prompted enter Meeting ID: 955 9394 0731

Passcode: 740453

Regular Board Room attendance will NOT be available.

Any members of the public requiring special accommodations may call the District office at (831) 637-4670 a minimum of 24 hrs prior to the start of the meeting.

### Mission Statement:

*“Our Mission is to provide safe, reliable, and high quality water and wastewater services to our customers and all future generations in an environmentally and financially responsible manner.”*

- A. CALL TO ORDER
- B. ROLL CALL – President Jerry Buzzetta, Vice-President James Parker, and Directors: Judi Johnson, Ann Ross, and Mike Alcorn.

## Regular Session

- C. PLEDGE OF ALLEGIANCE
- D. APPROVAL OF AGENDA
- E. PUBLIC COMMENTS and AUDIENCE INTRODUCTIONS – The public may comment<sup>1</sup> on any District business, not on the agenda, with a time limit of three minutes per speaker. No actions may be taken by the Board during the public comment period.

**F. CONSENT AGENDA** – Members of the Board and/or members of the public may pull matters from the Consent Agenda. Any matter pulled from the Consent Agenda shall be moved to Item G, and treated as a matter of new business, or moved to Item I, and discussed as a staff report. The public may address the Board <sup>2</sup> on these items, not to exceed 3 minutes, when the Board reviews each pulled item.

1. Approval of Minutes of the Regular Board Meeting of December 15, 2020.
2. Allowance of Claims for disbursements from December 1, 2020 through December 31, 2020.
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. Superintendent Monthly Status Reports: a. Maintenance, b. City Meter Reading, and  
c. Groundwater Level Measurement.
6. General Manager Monthly Status Report.

**G. NEW BUSINESS** – The Board will review and discuss agenda items and take action or direct staff to return to the Board for action at a following meeting. The public may address the Board<sup>2</sup> on these items as the Board reviews each item.

1. Approve the Capital Expenditure and Authorize the General Manager to purchase 704 Replacement Water Meters for a Total Cost not to Exceed \$203,000. (Not a project under CEQA per Article 20, Section 15378).
2. Discuss and Ratify Actions Proposed to be Taken by the General Manager – Staff will Begin Mailing Notification Letters to Accounts and Property Owners of Delinquent Accounts. (Not a project under CEQA per Article 20, Section 15378)
3. Approve a Contract for Professional Services Extending Audit Services with McGilloway-Ray-Brown-Kaufman Accountants and Consultants (MRBK) for Three Years not to Exceed \$76,160.

## H. STATUS REPORTS

1. Governance Committee – (No meeting)
2. Water / Wastewater Committee – (No meeting)
3. Finance Committee – (No meeting)
4. Policy and Procedure Committee – (No meeting)
5. Personnel Committee – (Meeting held December 22, 2020 and January 15, 2021)
6. Water Resources Association of San Benito County – (No meeting)

## I. BOARD and STAFF REPORTS

1. Directors
2. District Counsel
3. General Manager – COVID 19 Updated (Oral Report), SGMA TAC Report (Oral Report)

## J. FUTURE AGENDA ITEMS

- K. 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 three minutes per speaker.

## Closed Session

### L. 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-20-0020378u89
2. **Public Employee Performance Review (§ 54957)** – Title: General Manager

# Regular Session

## M. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION

## N. ADJOURNMENT

*Upon request, Sunnyslope County Water District (SCWD) will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. SCWD will also make a reasonable effort to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service as soon as possible in advance of the meeting.*

*Next Regular Board Meeting* – January 19, 2020 @ 5:15 p.m., District Office

**AGENDA DEADLINE:** January 13, 2020 @ 12:00 p.m.

### *Future Scheduled Committee Meetings*

Water Resources Agency – February 4, 2020 @ 4:00 PM

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<sup>1</sup> The person speaking is requested to fill out a speaker card stating items on which they wish to comment to be properly recognized during communications from the public and address comments to the Board of Directors. A limit of three (3) minutes per speaker is requested to allow others an opportunity to comment. Board members may ask questions of the speaker, but no action may be taken and no discussion may be held on non-agenized items raised by the public. The General Manager may refer the matter to the proper personnel for review.

<sup>2</sup> The person speaking is requested to fill out a speaker card stating their name, address, and items on which they wish to comment to be properly recognized during communications from the public and address comments to the Board of Directors. Please limit your comment to three (3) minutes. Please step up to and speak at the podium.

**MINUTES**  
**Regular Meeting of the Board of Directors**  
**of the**  
**SUNNYSLOPE COUNTY WATER DISTRICT**  
**December 15, 2020**

**A. CALL TO ORDER:** The meeting was called to order at 5:17 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.

**BOARD SWEARING IN CEREMONY** – Secretary Lander performed the Swearing-In Ceremony for Re-Elected Board of Directors, James F. Parker, and Jerry T. Buzzetta.

**B. ROLL CALL: Present In Person:** Vice President Jerry Buzzetta, Director Mike Alcorn, Director Judi Johnson, and President James Parker. **Present Via Teleconference:** Director Ann Ross (arrived at 5:22 pm).

**C. PLEDGE OF ALLEGIANCE:** Director Johnson led Directors and staff in the Pledge of Allegiance.

**D. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION HELD NOVEMBER 17, 2020:**

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

Attorney Heidi Quinn reported that she provided a status report and no reportable action was taken.

**E. APPROVAL OF AGENDA:** General Manager/ Secretary Lander requested that agenda item H-4 be moved to item H-1 in respect of Mr. Michael Taormina's time.

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

**F. 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. Director Johnson stated that she has been approached on the time allowed for public to respond when asked for public comment in Board meetings. Director Johnson stated given the pandemic situation, all meetings are virtual and sometimes with the technology used, there may be lag time before someone gets the opportunity to respond.

General Manager/Secretary Lander stated that there are a couple of functions that can be used such as raising their hand or using the chat room. He did state that he understands the concern and it will be addressed in the future.

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

#### G. CONSENT AGENDA:

1. Approval of Minutes – The Board reviewed the minutes for the Regular Meeting of November 17, 2020.
2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of November 1, 2020 through November 30, 2020, totaling \$1,624,217.84 which includes \$1,032,982.02 for payments to vendors, \$220,590.34 for Payroll – employee, and \$ 2,756.29 for customer refunds and checks returned. The last “ACH” # (electronic payments) was ACH #1901, and the last check written was check #28633.

| <u>Date</u> | <u>Number</u> | <u>Name</u>                  | <u>Amount</u> |
|-------------|---------------|------------------------------|---------------|
| 11/03/20    | ACH 1862      | North American Bancard       | -198.50       |
| 11/03/20    | ACH 1863      | North American Bancard       | -1,606.75     |
| 11/03/20    | ACH 1864      | North American Bancard       | -0.23         |
| 11/03/20    | ACH 1865      | North American Bancard       | -119.00       |
| 11/03/20    | ACH 1866      | North American Bancard       | -264.00       |
| 11/03/20    | ACH 1867      | North American Bancard       | -603.23       |
| 11/03/20    | ACH 1868      | Nationwide Life Insurance    | -215.67       |
| 11/03/20    | ACH 1869      | Pathian Administrators (VSP) | -344.91       |
| 11/05/20    | ACH 1870      | American Express             | -41.52        |
| 11/06/20    | ACH 1871      | Employee Payroll             | -68,076.86    |
| 11/06/20    | ACH 1872      | Payroll Taxes                | -18,064.55    |
| 11/09/20    | ACH 1873      | CalPERS - Retirement         | -9,743.95     |
| 11/09/20    | ACH 1874      | CalPERS - Retirement         | -6,224.26     |
| 11/13/20    | ACH 1875      | ADP                          | -2,083.26     |
| 11/13/20    | ACH 1876      | RETURNED CHECK               | -160.54       |
| 11/16/20    | ACH 1877      | Pathian Administrators (VSP) | -344.91       |
| 11/17/20    | ACH 1878      | RETURNED ACH                 | -163.42       |
| 11/18/20    | ACH 1879      | RETURNED ACH                 | -160.03       |
| 11/18/20    | ACH 1880      | RETURNED ACH                 | -111.43       |
| 11/18/20    | ACH 1881      | RETURNED ACH                 | -53.97        |

| <u>Date</u> | <u>Number</u> | <u>Name</u>                                    | <u>Amount</u> |
|-------------|---------------|--|---------------|
| 11/18/20    | ACH 1882      | RETURNED ACH                                   | -168.12       |
| 11/18/20    | ACH 1883      | RETURNED ACH                                   | -147.02       |
| 11/18/20    | ACH 1884      | RETURNED ACH                                   | -143.85       |
| 11/18/20    | ACH 1885      | RETURNED ACH                                   | -242.81       |
| 11/18/20    | ACH 1886      | Reverse Invoice Cloud test deposit on 11/12/20 | -30.00        |
| 11/18/20    | ACH 1887      | RETURNED CHECK                                 | -137.51       |
| 11/20/20    | ACH 1888      | Employee Payroll                               | -66,848.92    |
| 11/20/20    | ACH 1889      | Payroll Taxes                                  | -18,539.12    |
| 11/23/20    | ACH 1890      | CalPERS - Retirement                           | -9,534.90     |
| 11/23/20    | ACH 1891      | CalPERS - Retirement                           | -6,208.16     |
| 11/23/20    | ACH 1892      | CalPERS - Retirement                           | -9,660.73     |
| 11/23/20    | ACH 1893      | CalPERS - Retirement                           | -5,931.19     |
| 11/23/20    | ACH 1894      | CalPERS - Retirement                           | -23.08        |
| 11/23/20    | ACH 1895      | CalPERS - Retirement                           | -23.08        |
| 11/23/20    | ACH 1896      | CalPERS - Retirement                           | -23.08        |
| 11/23/20    | ACH 1897      | CalPERS - Retirement                           | -23.08        |
| 11/23/20    | ACH 1898      | CalPERS - Health Insurance                     | -17,850.92    |
| 11/23/20    | ACH 1899      | CalPERS - Retirement                           | -194.58       |
| 11/23/20    | ACH 1900      | CalPERS - Retirement                           | -686.08       |
| 11/27/20    | ACH 1901      | RETURNED CHECK                                 | -176.00       |
| 11/02/20    | 28551         | Razzolink.com                                  | -76.95        |
| 11/02/20    | 28552         | MARIA DOLORES GARCIA                           | -104.90       |
| **          | 28553         | Petty Cash on October Disbursement Summary     | 0.00          |
| 11/09/20    | 28554         | MARK & LIZBETH JUAREZ                          | -63.39        |
| 11/09/20    | 28555         | SCOTT KINDRED                                  | -67.19        |
| 11/09/20    | 28556         | Ace Hardware (Johnson Lumber Co.)              | -257.53       |
| 11/09/20    | 28557         | AT&T   | -647.46       |
| 11/09/20    | 28558         | Brenntag Pacific, Inc.                         | -7,029.04     |
| 11/09/20    | 28559         | Brigantino Irrigation                          | -250.56       |
| 11/09/20    | 28560         | City of Hollister-Finance Dept                 | -367,889.19   |
| 11/09/20    | 28561         | Dept. of Motor Vehicles (DMV)                  | -27.00        |
| 11/09/20    | 28562         | Downtown Automotive                            | -207.00       |
| 11/09/20    | 28563         | Edges Electrical Group, LLC                    | -384.40       |
| 11/09/20    | 28564         | Grainger, Inc.                                 | -145.18       |
| 11/09/20    | 28565         | Hach Company                                   | -2,123.07     |
| 11/09/20    | 28566         | Mc Master-Carr                                 | -24.26        |
| 11/09/20    | 28567         | P G & E  | -50,243.01    |
| 11/09/20    | 28568         | Quinn Company                                  | -1,783.95     |
| 11/09/20    | 28569         | Recology San Benito County                     | -286.86       |
| 11/09/20    | 28570         | San Benito County Water District               | -364,315.03   |
| 11/09/20    | 28571         | San Benito Tire Pros & Automotive              | -20.00        |
| 11/09/20    | 28572         | Silke Communications, Inc.                     | -407.50       |

| <b>Date</b> | <b>Number</b> | <b>Name</b>                               | <b>Amount</b> |
|-------------|---------------|---|---------------|
| 11/09/20    | 28573         | Star Concrete                             | -606.88       |
| 11/09/20    | 28574         | Toro Petroleum Corp.                      | -1,540.90     |
| 11/09/20    | 28575         | U.S. Bank Corporate Payment Systems       | -4,595.02     |
| 11/09/20    | 28576         | USA Blue Book                             | -3,901.78     |
| 11/09/20    | 28577         | San Benito County Water District          | -358.75       |
| 11/16/20    | 28578         | DAVID & DANIELLE BARLOW                   | -52.76        |
| 11/16/20    | 28579         | AARON & SANDRA HUGHES                     | -102.04       |
| 11/16/20    | 28580         | INDIA MORENO & M MARTIN DEL CAMPO         | -32.54        |
| 11/16/20    | 28581         | JOSE ANDRES SANCHEZ                       | -52.76        |
| 11/16/20    | 28582         | LETICIA VILLAFAN                          | -66.01        |
| 11/16/20    | 28583         | MITCHELL & LINDA WRIGHT                   | -400.00       |
| 11/17/20    | 28584         | Chavez, Jr., Manuel T.                    | -133.15       |
| 11/17/20    | 28585         | Eclarin, Ernesto P.                       | -147.48       |
| 11/17/20    | 28586         | Brenntag Pacific, Inc.                    | -25,789.73    |
| 11/17/20    | 28587         | Calgon Carbon Corporation                 | -48,402.00    |
| 11/17/20    | 28588         | CM Analytical, Inc.                       | -16,528.75    |
| 11/17/20    | 28589         | Credit Consulting Services, Inc.          | -79.19        |
| 11/17/20    | 28590         | EBCO Pest Control                         | -60.00        |
| 11/17/20    | 28591         | Edges Electrical Group, LLC               | -95.66        |
| 11/17/20    | 28592         | Filmtec Corporation                       | -985.08       |
| 11/17/20    | 28593         | Hach Company                              | -598.57       |
| 11/17/20    | 28594         | John Smith Road Landfill                  | -322.20       |
| 11/17/20    | 28595         | Maggiora Bros. Drilling, Inc.             | -731.25       |
| 11/17/20    | 28596         | Mark Nicholson, Inc.                      | -2,940.00     |
| 11/17/20    | 28597         | Postal Graphics                           | -54.07        |
| 11/17/20    | 28598         | San Benito County Water District          | -352,080.02   |
| 11/17/20    | 28599         | Trans Union LLC                           | -143.86       |
| 11/17/20    | 28600         | DEBBIE NIELSEN                            | -150.00       |
| 11/23/20    | 28601         | A-1 Services                              | -403.00       |
| 11/23/20    | 28602         | Brenntag Pacific, Inc.                    | -20,801.29    |
| 11/23/20    | 28603         | Hach Company                              | -3,820.12     |
| 11/23/20    | 28604         | Star Concrete                             | -364.35       |
| 11/23/20    | 28605         | Toro Petroleum Corp.                      | -1,160.96     |
| 11/23/20    | 28606         | American Water Works Assoc. CA-NV Section | -850.00       |
| 11/23/20    | 28607         | Anne Muraski                              | -9,625.00     |
| 11/23/20    | 28608         | Bryan Mailey Electric, Inc                | -1,964.62     |
| 11/23/20    | 28609         | De Lay & Laredo                           | -3,174.50     |
| 11/23/20    | 28610         | Vargas Garcia, Michael J                  | -150.00       |
| 11/24/20    | 28611         | CWEA Membership- TCP                      | -195.00       |
| 11/24/20    | 28612         | CWEA Membership- TCP                      | -225.00       |
| 11/30/20    | 28613         | AT&T                                      | -456.44       |
| 11/30/20    | 28614         | Auto Tech Service Center, Inc.            | -589.00       |



| <u>Date</u> | <u>Number</u> | <u>Name</u>                              | <u>Amount</u>           |
|-------------|---------------|--|-------------------------|
| 11/30/20    | 28615         | Brenntag Pacific, Inc.                   | -5,698.25               |
| 11/30/20    | 28616         | Brigantino Irrigation                    | -25.30                  |
| 11/30/20    | 28617         | Central Ag Supply LLC                    | -2,660.39               |
| 11/30/20    | 28618         | ERA Safety Solutions LLC                 | -1,190.75               |
| 11/30/20    | 28619         | Ferguson Enterprises, Inc.               | -143.09                 |
| 11/30/20    | 28620         | Hach Company                             | -5,187.72               |
| 11/30/20    | 28621         | Hollister Auto Parts, Inc.               | -89.47                  |
| 11/30/20    | 28622         | Konica Minolta Premier Finance           | -416.76                 |
| 11/30/20    | 28623         | Mc Master-Carr                           | -65.57                  |
| 11/30/20    | 28624         | Mission Uniform Service                  | -1,333.04               |
| 11/30/20    | 28625         | O'Reilly Auto Parts                      | -70.82                  |
| 11/30/20    | 28626         | Palace Business Solutions                | -118.42                 |
| 11/30/20    | 28627         | Pinnacle Agriculture                     | -807.39                 |
| 11/30/20    | 28628         | Quinn Company                            | -480.32                 |
| 11/30/20    | 28629         | State Water Resources Control Brd-WWOPCP | -110.00                 |
| 11/30/20    | 28630         | UWUA Local 820                           | -784.72                 |
| 11/30/20    | 28631         | Veolia Water Technologies                | -58,439.41              |
| 11/30/20    | 28632         | Verizon Wireless                         | -230.00                 |
| 11/30/20    | 28633         | State Water Resources Control Brd-WWOPCP | -110.00                 |
|             |               |  | \$ <b>-1,624,217.84</b> |

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.

Director Johnson asked to have agenda item G.3 - Associate Engineer Monthly Status Report pulled and moved to Agenda Item J-4, under Board and Staff Reports.

Upon a motion made by Director Johnson to approve the Consent Agenda as amended, 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.

## H. NEW BUSINESS:

- 1. REVIEW AND ACCEPT THE FINDINGS OF THE EMPLOYEE SATISFACTION SURVEY 2020:** General Manager/Secretary Lander explained that the employee satisfaction survey was distributed to staff and received in September. After review and analysis of the responses by Michael Taormina of CSI-HR a summary and analysis were prepared and presented to the Board for review and discussion.

Mr. Taormina introduced himself and gave a brief explanation of his background and experience in the field.

Mr. Taormina explained that with the category comparison, combining the two survey response questions of Strongly Disagree and Disagree as a Negative Response; Neither Agree or Disagree as a Neutral Response; and Agree and Strongly Agree as a Positive Response; greater clarity can be achieved to help identify areas that warrant further focus and attention. He presented the following table of results:

|                   | Physical Environment | Interaction with Supervision | Organizational Communication | Employee Satisfaction | Company Culture | Employee Feedback | Training & Career Advancement |
|-------------------|----------------------|------------------------------|------------------------------|-----------------------|-----------------|-------------------|-------------------------------|
| Negative Response | 3.35%                | 3.16%                        | 18.95%                       | 4.86%                 | 5.26%           | 8.77%             | 24.21%                        |
| Neutral Response  | 3.35%                | 15.26%                       | 28.42%                       | 15.79%                | 14.96%          | 28.07%            | 26.32%                        |
| Positive Response | 84.21%               | 81.58%                       | 52.63%                       | 79.35%                | 79.78%          | 63.16%            | 49.47%                        |

Mr. Taormina stated that the areas of Physical Environment, Interaction with Supervision, Employee Satisfaction and Company Culture all have a Positive Response rating at 80%. Considering factors such as the COVID-19 pandemic, and a recent organizational restructuring these responses are extremely positive, additionally, when counterbalanced with an approximate Negative Response rate of 3.3%.

All areas were positive, however when compared to the very positive areas the two items that stick out for improvement are Organizational Communication, and Training and Career Advancement. Strategies for addressing these areas are detailed above and more in-depth assistance in development and implementation can be provided but is outside of the current project scope.

Director Ross expressed her concern for the negative responses on training and career advancement and felt that by allowing maintenance staff to be able to advance with testing and increasing their certificate grade levels, that was allowing for advancement. General Manager/Secretary Lander responded that finding other ways for advancement would be something that the Policy & Procedures Committee could look at in the future.

President Parker suggested that management put together a plan for improvement on the negative response areas and present it to the employees. Director Alcorn stated that in future surveys he would like to see questions regarding satisfaction on salaries and benefits, as well as ranking which is most important to the employees.

Mr. Taormina stated that overall, the results were very positive, and that Management may want to consider improving on the negative areas by setting up programs for advancement that are not just promotional.

Upon a motion made by Director Johnson to accept the findings of the Employee Satisfaction Survey 2020 and place on file, 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.

- 2. TAKE APPROPRIATE ACTION TO ELECT A PRESIDENT AND VICE-PRESIDENT OF THE BOARD OF DIRECTORS, AND PRESIDENT TO ASSIGN DIRECTOR DUTIES TO STANDING DISTRICT COMMITTEES FOR 2021: (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Lander stated that the Board of Directors annually elects one of the five Board of Directors to serve as the President of the Board and a second Director to serve as the Vice President of the Board. The President of the Board then assigns Directors to serve on the four standing committees, the Water Resources Agency, the Association of California Water Agency Joint Powers Insurance Authority, and to perform check signing responsibilities on behalf of the District. Director Jim Parker served as President and Director Jerry Buzzetta has served as Vice President for 2020.

Director Johnson nominated Director Parker to continue as President, and President Parker respectfully declined. Director Ross then nominated Director Alcorn and Director Alcorn respectfully declined. Director Alcorn then nominated Director Buzzetta and Director Buzzetta accepted the nomination. The motion was seconded by Director Johnson and 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.

President Buzzetta assumed his role as President by switching seats with former President Parker and took over conducting the remainder of the meeting.

Director Parker nominated Director Ross for Vice-President. Director Ross respectfully declined. Director Alcorn then nominated Director Parker for Vice-President and Director Parker accepted the nomination. The motion was seconded by Director Johnson and President Buzzetta then took a roll call vote as follows: Directors MA, yes; JP, yes; JJ, yes; AR, yes; and President JB, yes; the motion carried 5-0

President Buzzetta assigned Directors to the following committees or as agency representatives:

- Finance Committee – Mike Alcorn & Judi Johnson (Alternate – Ann Ross)
- Water/Wastewater Committee – Ann Ross & Jim Parker (Alternate – Mike Alcorn)
- Employee & Personnel Committee – Jerry Buzzetta & Jim Parker (Alternate – Judi Johnson)
- Policy and Procedures Committee – Ann Ross & Jerry Buzzetta (Alternate – Jim Parker)
- Water Resources Agency – Judi Johnson (Alternate – Jim Parker)
- ACWA/JPIA Board Representative – Mike Alcorn (Alternate – Jerry Buzzetta)
- District Check Signing Responsibility for 2021 –
  - First quarter – Jerry Buzzetta;
  - Second quarter – Judi Johnson;
  - Third quarter – Mike Alcorn
  - Fourth quarter – Jim Parker

- 3. AUTHORIZE THE CAPITAL PURCHASE AND INSTALLATION OF VIDEO SECURITY SYSTEM EQUIPMENT FOR THE ADMINISTRATION OFFICE NOT TO EXCEED \$10,000 (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Lander reported that the security of the administration building is critical for the operation of the District and requires high quality security surveillance to ensure both crime deterrence as well as a speedy resolution of any issues that may occur. The existing administration building video equipment has reached the end of useful life after 10 years. The recording hard drive is failing and many of the cameras have degraded to a point where they are cloudy or pixilated.

Three quotes for commercial grade recording equipment and high-definition cameras were solicited by independent vendors and a replacement system meeting the requirements of the District has been identified which is expandable, high quality, and dependable. The equipment identified will be installed in the new server tower and all cameras will be accessible internally on a monitor and on mobile devices with the appropriate security.

As defined by the District Asset Capitalization Policy this purchase will be a capital purchase. The purchase of 12 replacement cameras and recording device with memory storage is \$7,784.49. Installation of the cameras and wiring is estimated at \$2000. A capital expenditure allocation is requested to complete this project no to exceed \$10,000. The balance of the Capital fund is \$1,775,900.

Director Alcorn stated that for personal reasons he has priced the cost of home security equipment and it is considerably cheaper than what is being presented. General Manager/Secretary Lander responded that this equipment is specifically for commercial use and has the capability of adding additional cameras at the water treatment facilities and wastewater treatment plant in the future. Director Alcorn also asked if there would be a subscription fee with this installation and General Manager/Secretary Lander responded that there would not be, and he specifically considered that in his search for the equipment.

Upon a motion made by Director Alcorn, to authorize the purchase and installation of video security system equipment for the Administration Office not to exceed \$10,000 and seconded by Director Johnson, and for which President Buzzetta then took a roll call vote as follows: Directors MA, yes; JP, yes; JJ, yes; AR, yes; and President JB, yes; the motion carried 5-0.

- 4. AUTHORIZE THE GENERAL MANAGER TO EXPEND NO MORE THAN \$100 TO INCENTIVIZE PUBLIC PARTICIPATION IN PAPERLESS BILLING AND AUTOMATIC PAYMENT; AUTHORIZE THE DISTRICT TO ABSORB THE SURCHARGE AND E-CHECK COST OF AUTOMATIC CHECK PROCESSING BY CUSTOMERS WHO USE THE PAY BY PHONE (IVR) PORTAL:** General Manager/Secretary Lander stated that in January 2021 the District will begin to use Watersmart® as the primary public interface for billing and payments. This software is most advantageous when customers sign up for both Paperless Billing and Automatic Payment. This will also result in the District receiving updated contact information for customers which will be extremely valuable for future communication with our customers. To generate public momentum towards accessing our new web portal the consultant assisting with the District Newsletter has advised that an incentive of a gift certificate from a local restaurant or other service would be very valuable in generating public interest in signing up. An incentive raffle is not subject to the regulations of Penal Code section 320.5 and other raffle laws because signing up is voluntary and does not cost the customer any fee for signing up. The opportunity to participate is not purchased by a customer and only requires that the customer pay their bill in a particular way designated by the District. This request is asking only for a one-time opportunity to see if this type of incentive does influence public participation in online billing. It is proposed that in February all customers

who have signed up for Paperless Billing and Automatic Payment will be eligible, and a winner will be chosen randomly from all eligible names.

Employees of the District are not eligible to participate to avoid “gift of public funds” irregularities.

To further encourage automatic payment and to deter call-in payment processing the District is also offering pay-by-phone automatic payment processing. Presently the District policies encourage processing of payments manually by staff because the District absorbs the fee for manual processing of Credit Cards and Checks but does charge customers for automatic online processing of payments. This is counterproductive because online processing costs the district on average \$5 per transaction. The new electronic voice recording payment processing costs \$1.95 per transaction. Directing customers to this service will save the District on average \$3 per transaction. Director Ross expressed her concern and the importance of how customers are handled when being asked to use the new services and General Manager/Secretary Lander stated that staff is really good about it but there will be additional training on how to politely encourage the customers to elect the new services offered.

General Operating Revenues will be allocated to offer one time \$100 incentive for participation. Conversion of only 38 customers to online payment processing will save the District the same amount in the printing, mailing and staff time.

The District currently pays the costs associated with automatic payments and with the processing of manual credit card processing. On average the district expends \$3000 per month on Credit Card fees plus the expense of staff time to process and service the customer. As we convert to IVR payments staff will encourage customers to process payment using e-check. If all current customers who call monthly (approx. 1100 transactions) move to e-check this could save the District more than \$1000/month and staff will no longer be required to handle customer financial information.

Upon a motion made by Director Johnson, to authorize the General Manager to expend no more than \$100 to incentivize public participation in paperless billing and automatic payment; authorize the District to absorb the surcharge and e-check cost of automatic check processing by customers who use the pay by phone (IVR) portal, seconded by Director Parker, and for which President Buzzetta then took a roll call vote as follows: Directors MA, yes; JP, yes; JJ, yes; AR, yes; and President JB, yes; the motion carried 5-0.

## **I. BOARD COMMITTEE and STATUS REPORTS**

1. **Governance Committee:** No meeting held.

2. **Water/Wastewater Committee:** General Manager/Secretary Lander reported that a meeting was held on December 1, 2020 to receive a presentation from Mr. Lynn Hilden regarding Tyler Trail, in Hollister. The District has a wastewater line that crosses Mr. Hilden's driveway which he has concerns with. Staff is investigating and gathering information on the situation. Mr. Lander reported that Attorney Heidi Quinn was also in attendance of the meeting via teleconference.
3. **Finance Committee:** No meeting held.
4. **Policy and Procedure Committee:** No meeting held.
5. **Personnel Committee:** No meeting held.
6. **Water Resources Association of San Benito County (WRA):** Director Johnson presented a written report on a meeting that was held on December 3, 2020. Director Johnson reported that there was discussion of recent work of WRA with the replacement toilets, landscape audits, and removal of water softeners. There was an announcement to the public regarding turning off irrigation and emphasizing methods of conservation. Director Johnson reported that there was considerable discussion of Prop 1 money for the storage construction and status of Pacheco Pass Dam.

## J. BOARD and STAFF REPORTS

1. **Directors:** Director Johnson provided a written report to the Board on attending the virtual ACWA Region membership meetings that took place on December 9<sup>th</sup> and 10<sup>th</sup>. Topics discussed were the importance of attracting and using diversity/inclusion in hiring for the workforce; the value of engaging community and stressing collaboration; and water has no color.

Director Johnson reported that there were reports of JPIA memberships in each of the insurance categories and there were rewards for the Districts/Agencies for outstanding performances. There was discussion on the influence of COVID 10 in the various work areas.

A keynote speaker, Tim Quinn, discussed beating coalition building with firm goal settings. Another topic was the great tribute to Bette Boatman, a real leader in California industry.

Director Johnson reported that the recurring theme of several sessions were, climate change; what is new in the 21<sup>st</sup> Century of water; and post-election analysis. One of the big questions

was, when will District's/Utilities be able to begin collecting late fees again and stop forgiving penalties for delinquent accounts and the response was, most likely when an end to the pandemic is declared.

Another big question presented at the conference was, an anticipated date or timeline for the release of Prop 1 funds, and the response to the question was, soon.

2. **District Counsel:** No report.
3. **General Manager:** General Manager/Secretary Lander gave an update on the COVID-19 reporting the office remains closed due to the surge in cases within the County. There has been no transmission of the virus in the building, however there was an employee that tested positive, as well as family members of staff.

Mr. Lander reported that he has sent a letter to the Director of Health and Human Services Agency, requesting that District staff be considered priority in Phase 1-B of the vaccination in the County.

Past due balances are increasing, with current outstanding past due totaling about \$160,000. Account technicians continue to contact customers and encourage setting up a payment plan. Information on payment plans will be included in the newsletter that will be going out and the newsletter will be stating that once the District can go back to charging late fees, customers on payment plans will not incur them, but everyone else will be responsible for late fees.

Director Ross asked if staff was informing customers of the option of assistance from Community Action, and Mr. Lander stated that may be something for us to consider.

General Manager/Secretary Lander reported that he and Directors Buzzetta, Johnson, and Parker all attended the Technical Advisory Committee (TAC) meeting for a presentation by Todd Groundwater. He stated that he will be sending a copy of the draft report to the Directors in the next week.

4. **Associate Engineer:** Director Johnson pulled item I.3 so that Associate Engineer Rob Hillebrecht would explain #4 Well 5 Irrigation System and Mr. Hillebrecht explained that Schaaf & Wheeler has signed and entered a professional services contract with Sunnyslope for the design of the Well 5 Irrigation System Improvements. Staff will be meeting with them on December 17th to finalize the scope and schedule of the design. Mr. Hillebrecht stated they hope to hit the ground running in January.



Director Johnson also wanted Mr. Hillebrecht to explain #7 USA 811 Positive Response Training, to which Mr. Hillebrecht explained that staff is training on posting a positive response for all Underground Service Alert locate request tickets. Beginning January 1, 2021, utilities are legally required to submit a Positive Response online for each USA ticket that is directed to them.

Director Johnson also asked Mr. Hillebrecht to explain #1 Santana Ranch Water Break – The contractor for Santana Ranch caused a significant water main break on Dec. 3rd by excavating behind a stubbed water main before District staff had shut off the service. The stubbed cap pushed off the pipe drawing over 5000 gallons per minute from Sunnyslope’s system. These high flows caused water to lift and suspend sediment inside the water mains making the water appear colored or dirty around Santana Ranch and parts of Ridgemark. Staff flushed this cloudy water all day to clear the minerals and sediments from the system. The contractor will be charged the cost of all the water from the initial break and flushing along with all staff time related to the incident. Mr. Hillebrecht added that the contractor was to wait until he went to the site to turn the water off, but construction workers began excavating before he arrived.

General Manager/Secretary Lander stated that he is planning on a public outreach meeting with the homeowners of Santana Ranch sometime in January. Director Alcorn suggested changing the language in our contracts to place more liability on the contractors for such incidents.

**K. FUTURE AGENDA ITEMS:** None.

**L. 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 three minutes per speaker. No comments.

At 6:36 p.m., President Buzzetta closed the meeting to the public for closed session.

**M. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS:**

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

*County of San Benito vs. SSCWD*, San Benito County Superior Court Case No. CU-20-00068

2. **Public Employee Performance Review (§ 54956.9)** – Title: General Manager

**N. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION:**

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

Attorney Heidi Quinn reported that she provided a status report regarding item #1 and no reportable action was taken.

2. **Public Employee Performance Review (§ 54956.9)** – Title: General Manager

Attorney Heidi Quinn reported that the second item was discussed by the Board and direction was given to the General Manager to bring the item to the Personnel Committee for clarification of procedure.

**O. ADJOURNMENT:** President adjourned the meeting at 7:20 p.m.

**APPROVED BY THE BOARD:**

\_\_\_\_\_  
Jerry T. Buzzetta, President

**RESPECTFULLY SUBMITTED:**

\_\_\_\_\_  
Drew A. Lander, Secretary

# Sunnyslope County Water District

## Disbursement Summary

December 1, 2020 through December 31, 2020

| Date     | Num        | Name                                  | Amount     |
|----------|------------|---------------------------------------|------------|
| 12/04/20 | 12-01 PRL  | Employee Payroll                      | -70,533.67 |
| 12/04/20 | 12-01 PRL  | Payroll Taxes                         | -19,452.08 |
| 12/04/20 | 12-01 PRL2 | Employee Payroll - Sick Leave Cashout | -7,763.53  |
| 12/04/20 | ACH 1911   | Payroll Taxes - Sick Leave Cashout    | -2,416.86  |
| 12/18/20 | 12-02 PRL  | Employee Payroll                      | -66,507.20 |
| 12/18/20 | 12-02 PRL  | Payroll Taxes                         | -13,944.77 |
| 12/30/20 | 12-03 PRL  | Employee Payroll                      | -66,404.08 |
| 12/30/20 | 12-03 PRL  | Payroll Taxes                         | -18,569.79 |
| 12/30/20 | 12-03 PRL2 | Employee Payroll                      | -52.91     |
| 12/30/20 | 12-03 PRL2 | Payroll Taxes                         | -22.79     |
| 12/02/20 | ACH 1902   | Nationwide Life Insurance             | -215.67    |
| 12/01/20 | ACH 1903   | North American Bancard                | -506.34    |
| 12/01/20 | ACH 1904   | North American Bancard                | -658.83    |
| 12/03/20 | ACH 1905   | North American Bancard                | -176.22    |
| 12/03/20 | ACH 1906   | North American Bancard                | -1,340.01  |
| 12/03/20 | ACH 1907   | North American Bancard                | -0.21      |
| 12/02/20 | ACH 1908   | RETURNED CHECK - (CK Ret 12-01)       | -157.37    |
| 12/07/20 | ACH 1912   | American Express                      | -37.93     |
| 12/14/20 | ACH 1913   | RETURNED CHECK - (CK Ret 12-02)       | -315.02    |
| 12/14/20 | ACH 1914   | RETURNED CHECK - (CK Ret 12-03)       | -156.42    |
| 12/16/20 | ACH 1915   | RETURNED ACH - (ACH Ret 12-01)        | -152.43    |
| 12/17/20 | ACH 1916   | RETURNED ACH - (ACH Ret 12-02)        | -143.85    |
| 12/17/20 | ACH 1917   | RETURNED ACH - (ACH Ret 12-03)        | -161.12    |
| 12/17/20 | ACH 1918   | RETURNED ACH - (ACH Ret 12-04)        | -147.02    |
| 12/17/20 | ACH 1919   | RETURNED ACH - (ACH Ret 12-05)        | -290.28    |
| 12/17/20 | ACH 1920   | RETURNED ACH - (ACH Ret 12-06)        | -128.00    |
| 12/17/20 | ACH 1921   | RETURNED ACH - (ACH Ret 12-07)        | -141.57    |
| 12/17/20 | ACH 1922   | RETURNED ACH - (ACH Ret 12-08)        | -188.02    |
| 12/17/20 | ACH 1923   | RETURNED ACH - (ACH Ret 12-09)        | -137.51    |
| 12/17/20 | ACH 1924   | RETURNED ACH - (ACH Ret 12-10)        | -154.02    |
| 12/17/20 | ACH 1925   | RETURNED ACH - (ACH Ret 12-11)        | -93.45     |
| 12/17/20 | ACH 1926   | RETURNED ACH - (ACH Ret 12-12)        | -260.07    |
| 12/17/20 | ACH 1927   | RETURNED ACH - (ACH Ret 12-13)        | -58.38     |
| 12/17/20 | ACH 1928   | RETURNED ACH - (ACH Ret 12-14)        | -65.29     |
| 12/16/20 | ACH 1929   | iCloud                                | -15.00     |
| 12/18/20 | ACH 1932   | ADP                                   | -2,083.26  |
| 12/18/20 | ACH 1933   | ADP                                   | -25.00     |
| 12/23/20 | ACH 1934   | CalPERS - Retirement                  | -5,222.50  |
| 12/23/20 | ACH 1935   | CalPERS - Retirement                  | -9,529.67  |
| 12/23/20 | ACH 1936   | CalPERS - Retirement                  | -121.16    |
| 12/24/20 | ACH 1937   | CalPERS - Retirement                  | -5,279.80  |
| 12/24/20 | ACH 1938   | CalPERS - Retirement                  | -9,694.53  |
| 12/24/20 | ACH 1939   | CalPERS - Retirement                  | -194.58    |

# Sunnyslope County Water District

## Disbursement Summary

December 1, 2020 through December 31, 2020

| Date     | Num      | Name                                     | Amount      |
|----------|----------|--|-------------|
| 12/24/20 | ACH 1940 | CalPERS - Retirement                     | -686.08     |
| 12/24/20 | ACH 1941 | CalPERS - Retirement                     | -23.08      |
| 12/24/20 | ACH 1942 | CalPERS - Retirement                     | -23.08      |
| 12/23/20 | ACH 1943 | RETURNED CHECK - (CK Ret 12-04)          | -143.85     |
| 12/24/20 | ACH 1944 | RETURNED ACH - (ACH Ret 12-15)           | -141.57     |
| 12/24/20 | ACH 1945 | RETURNED ACH - (ACH Ret 12-16)           | -93.45      |
| 12/29/20 | ACH 1946 | CalPERS - Retirement                     | -5,279.81   |
| 12/29/20 | ACH 1947 | CalPERS - Retirement                     | -9,453.02   |
| 12/29/20 | ACH 1948 | CalPERS - Retirement                     | -137.32     |
| 12/30/20 | ACH 1949 | CalPERS - Health Insurance               | -18,255.63  |
| 12/01/20 | 28634    | Razzolink.com                            | -76.95      |
| 12/01/20 | 28635    | exceedio                                 | -760.84     |
| 12/01/20 | 28636    | Mc Gilloway, Ray, Brown & Kaufman        | -11,715.00  |
| 12/01/20 | 28637    | State Water Resources Control Board-AFRS | -9,939.00   |
| 12/01/20 | 28638    | Tyler Technologies, Inc.                 | -9,952.50   |
| 12/01/20 | 28639    | Nationwide Retirements Solutions         | -19,172.28  |
| 12/01/20 | 28640    | Postmaster                               | -2,229.10   |
| 12/07/20 | 28641    | Ace Hardware (Johnson Lumber Co.)        | -315.08     |
| 12/07/20 | 28642    | Bray Family Trust                        | -289.98     |
| 12/07/20 | 28643    | Brenntag Pacific, Inc.                   | -22,453.68  |
| 12/07/20 | 28644    | Brigantino Irrigation                    | -210.31     |
| 12/07/20 | 28645    | Central Ag Supply LLC                    | 0.00        |
| 12/07/20 | 28646    | CM Analytical, Inc.                      | -11,704.50  |
| 12/07/20 | 28647    | Hach Company                             | -1,311.22   |
| 12/07/20 | 28648    | Palace Business Solutions                | -174.78     |
| 12/07/20 | 28649    | Premier Access Insurance Co.             | -3,450.23   |
| 12/07/20 | 28650    | Quinn Company                            | -1,000.00   |
| 12/07/20 | 28651    | San Benito County Water District         | -355.00     |
| 12/07/20 | 28652    | San Benito Tire Pros & Automotive        | -333.43     |
| 12/07/20 | 28653    | Star Concrete                            | -422.25     |
| 12/07/20 | 28654    | Toro Petroleum Corp.                     | -979.78     |
| 12/07/20 | 28655    | Transene Company Inc (Shape Products)    | -137.40     |
| 12/07/20 | 28656    | USA Blue Book                            | -466.13     |
| 12/07/20 | 28657    | Water System Optimization, Inc.          | -2,500.00   |
| 12/07/20 | 28658    | O'Reilly Auto Parts                      | -16.71      |
| 12/09/20 | 28659    | San Benito County-Tax Collector          | -1,134.51   |
| 12/09/20 | 28660    | Monterey Signs, Inc.                     | -1,321.93   |
| 12/14/20 | 28661    | AT&T                                     | -644.38     |
| 12/14/20 | 28662    | Brenntag Pacific, Inc.                   | -12,971.91  |
| 12/14/20 | 28663    | Central Ag Supply LLC                    | -954.67     |
| 12/14/20 | 28664    | City of Hollister-Finance Dept           | -362,266.98 |
| 12/14/20 | 28665    | Corbin Willits Systems, Inc. (MOM's)     | -4,550.00   |
| 12/14/20 | 28666    | De Lay & Laredo                          | -4,287.50   |

# Sunnyslope County Water District

## Disbursement Summary

December 1, 2020 through December 31, 2020

| Date     | Num   | Name                                | Amount     |
|----------|-------|-------------------------------------|------------|
| 12/14/20 | 28667 | EBCO Pest Control                   | -60.00     |
| 12/14/20 | 28668 | John Smith Road Landfill            | -201.00    |
| 12/14/20 | 28669 | MBS Business Systems                | -1,196.48  |
| 12/14/20 | 28670 | P G & E                             | -26,583.71 |
| 12/14/20 | 28671 | Recology San Benito County          | -286.86    |
| 12/14/20 | 28672 | RJR Recycling                       | -4,000.00  |
| 12/14/20 | 28673 | Trans Union LLC                     | -162.64    |
| 12/14/20 | 28674 | U.S. Bank Corporate Payment Systems | -9,101.49  |
| 12/16/20 | 28675 | San Benito County-Clerk             | -15.00     |
| 12/21/20 | 28676 | MARIA G OROPEZA                     | -200.00    |
| 12/21/20 | 28677 | A-1 Services                        | -403.00    |
| 12/21/20 | 28678 | Auto Tech Service Center, Inc.      | -1,149.00  |
| 12/21/20 | 28679 | Brenntag Pacific, Inc.              | -10,679.87 |
| 12/21/20 | 28680 | CM Analytical, Inc.                 | -10,400.00 |
| 12/21/20 | 28681 | Edges Electrical Group, LLC         | -359.59    |
| 12/21/20 | 28682 | First Trust Alarm Company           | -698.00    |
| 12/21/20 | 28683 | Hach Company                        | -1,812.11  |
| 12/21/20 | 28684 | Mark Nicholson, Inc.                | -2,000.00  |
| 12/21/20 | 28685 | Simplot Grower Solutions            | -663.61    |
| 12/21/20 | 28686 | Toro Petroleum Corp.                | -1,550.91  |
| 12/28/20 | 28687 | RODOLFO CONTRERAS                   | -159.73    |
| 12/28/20 | 28688 | NATHAN & ARIEL HENSLEY              | -51.24     |
| 12/28/20 | 28689 | INDEPENDENT CONSTRUCTION            | -144.98    |
| 12/28/20 | 28690 | RENEE KUNZ                          | -53.70     |
| 12/28/20 | 28691 | DEBERA LILES                        | -125.00    |
| 12/28/20 | 28692 | NICODEMUS RAMIREZ & NIDIA LOPEZ     | -73.08     |
| 12/28/20 | 28693 | MANZO CONSTRUCTION INC.             | -643.40    |
| 12/28/20 | 28694 | MHG BUILDERS & CONSULTING INC       | -106.29    |
| 12/28/20 | 28695 | MHG BUILDERS & CONSULTING INC       | -74.59     |
| 12/28/20 | 28696 | MHG BUILDERS & CONSULTING INC       | -84.10     |
| 12/28/20 | 28697 | OTTO CONSTRUCTION                   | -763.24    |
| 12/28/20 | 28698 | NICKOLAS JORDAN PIZANO              | -140.16    |
| 12/28/20 | 28699 | RJV INVESTMENTS                     | -175.22    |
| 12/28/20 | 28700 | KASANDRA & CARL SEGERSTROM          | -5.19      |
| 12/28/20 | 28701 | JOHNNIE N WESSON                    | -32.93     |
| 12/28/20 | 28702 | Atlas Copco Compressors LLC         | -741.40    |
| 12/28/20 | 28703 | Brenntag Pacific, Inc.              | -8,596.12  |
| 12/28/20 | 28704 | Brigantino Irrigation               | -197.37    |
| 12/28/20 | 28705 | CSI HR Group                        | -3,343.50  |
| 12/28/20 | 28706 | Ferguson Enterprises, Inc.          | -53.71     |
| 12/28/20 | 28707 | Hach Company                        | -327.15    |
| 12/28/20 | 28708 | Hollister Auto Parts, Inc.          | -122.83    |
| 12/28/20 | 28709 | Inland Water Works Supply Co        | -33,254.40 |

# Sunnyslope County Water District

## Disbursement Summary

December 1, 2020 through December 31, 2020

| Date     | Num   | Name                              | Amount           |
|----------|-------|-----------------------------------|------------------|
| 12/28/20 | 28710 | Konica Minolta Premier Finance    | -416.76          |
| 12/28/20 | 28711 | Mid Valley Supply                 | -552.95          |
| 12/28/20 | 28712 | MNS Engineers, Inc.               | -1,500.00        |
| 12/28/20 | 28713 | O'Reilly Auto Parts               | -107.30          |
| 12/28/20 | 28714 | Palace Business Solutions         | -220.85          |
| 12/28/20 | 28715 | San Benito Tire Pros & Automotive | -713.62          |
| 12/28/20 | 28716 | True Value Hardware               | -57.32           |
| 12/28/20 | 28717 | Verizon Wireless                  | -230.26          |
| 12/28/20 | 28718 | Virtual Graffiti, Inc.            | -7,784.49        |
| 12/28/20 | 28719 | exceedio                          | -28,234.69       |
| 12/28/20 | 28720 | San Benito County Water District  | -333,920.53      |
| 12/28/20 | 28721 | Plangrid, Inc.                    | -468.00          |
| 12/28/20 | 28722 | Nationwide Retirements Solutions  | -39,506.34       |
| 12/28/20 | 28723 | UWUA Local 820                    | -1,177.08        |
| 12/30/20 | 28724 | Postmaster                        | -2,240.77        |
|          |       |                                   | \$ -1,363,776.69 |

### **SUMMARY:**

Accounts Payable Paid to:

|   |               |
|---|---------------|
| Vendors   | \$ 606,124.53 |
| Payroll - Employee  | 389,423.64    |
| City of Hollister for City Billing Collected, Net of Fees | 362,266.98    |
| Customer Refunds & Returned Checks/ACH                    | 5,961.54      |

**Total Disbursements**      \$ **1,363,776.69**

# *Staff Report*

Agenda Item: F – 3

DATE: January 13, 2021 (January 19, 2021 Meeting)

TO: Board of Directors

FROM: Rob Hillebrecht, Associate Engineer

SUBJECT: Associate Engineer Monthly Status Report

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1. **Annual District Maps Update** – The District Water and Sewer System Maps have been updated to include all the new infrastructure from new developments and projects. Copies of the revised pages will be printed and distributed to all Maintenance and Operations staff along with key District sites.
2. **West of Fairview Phase 1 Testing** – The West of Fairview Phase 1 development has passed their hydrostatic pressure test and will soon be taking bacteriological samples. Once these tests are completed, they will tie their mains directly into Sunnyslope’s system.
3. **New Website Online** – The new District website has gone live and replaces the previous outdated website. The new website is much more user friendly and provides significantly more information and detail. Additionally, it simplifies electronic bill payment for customers and allows them to easily access their account information.
4. **Well 5 Irrigation System** – The initial design meeting was held in which the project schedule, scope, potential issues, and contact information for the key project members were discussed. On Jan 14 geotechnical borings were conducted on the site to provide soil data for structural designs.
5. **Annual Engineer & Salinity Management Reports** – Staff have started compiling the information and data for the annual Ridgemark Wastewater Facility Engineer Report and Salinity Management Report. This report is due every year by Jan 31 to the Regional Water Quality Control Board. The key aspects of this report are Sunnyslope’s wastewater treatment and disposal capacity and the treated effluent quality. The Salinity Report demonstrates the actions Sunnyslope is taking to reduce effluent Chloride concentrations to come within the regulatory limit.
6. **USA 811 Positive Response Training** – Staff received training on posting a Positive Response for all Underground Service Alert locate request tickets and are now implementing the revised procedures. Positive Responses on locate tickets communicating that buried facilities have been marked are legally required from all utilities starting Jan 1, 2021.

# Staff Report

Agenda Item: F – 4a

**DATE:** January 13, 2021 (January 19, 2021 Meeting)

**TO:** Board of Directors

**FROM:** Finance & Human Resource Manager, Travis J. Foster

**SUBJECT:** Finance Manager Monthly Status Reports: a. Narrative Report, b. Operation Summary, c. Statement of Income, d. Investment Summary, and e. Board Designated Reserves.

## **b. OPERATION SUMMARY**

(December 2020):

We received thirty (30) water capacity fees and zero (0) wastewater capacity fees in December 2020, compared to forty (40) water capacity fees and zero (0) wastewater capacity fees received in the previous year. Summary Table of December and YTD presented below.

| Comparison of Capacity Fees Received for the Current Month & Year to Date |           |           |           |  |                                |                              |  |
|---|-----------|-----------|-----------|--|--------------------------------|------------------------------|--|
| Item  | DEC. 2020 | NOV. 2020 | DEC. 2019 | Increase / (Decrease) from Prior Year (PY) | YTD TOTALS Current Fiscal Year | YTD TOTALS Prior Fiscal Year | Increase / (Decrease) from Prior Year (PY) |
| NO. WATER CAPACITY FEE RECD   | 30        | 24        | 40        | (10)                                       | 121                            | 149                          | (28)                                       |
| NO. WW CAPACITY FEE RECD  | -         | -         | -         | -  | -                              | -                            | -  |

As our deposit policy continues to drive the increase in customers signing up for our in-house (free) “Auto Pay” services, the table below presents the changes from prior month (PM) and the changes from prior year (PY).

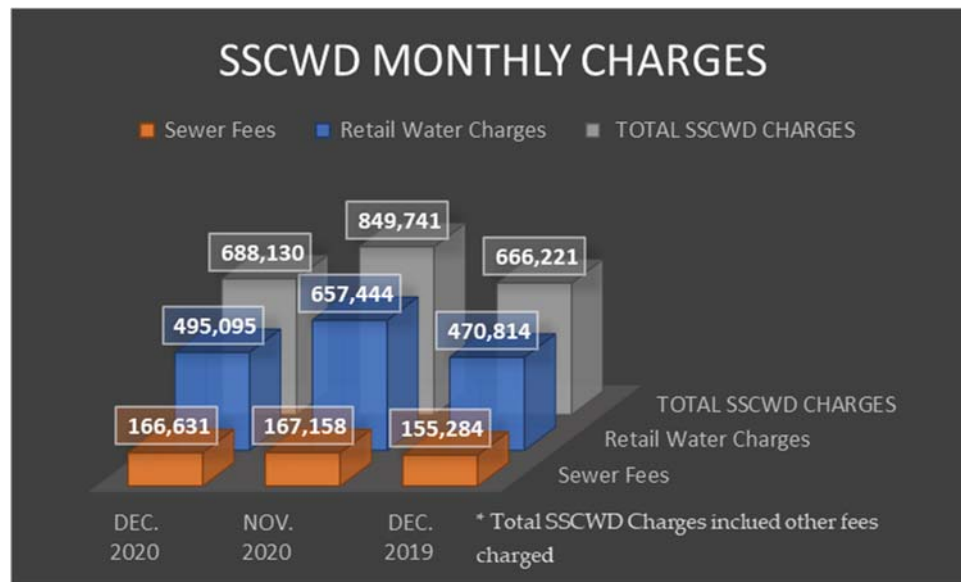
| Summary of Changes in Customer Accounts |           |           |           |              |             |
|---|-----------|-----------|-----------|--------------|-------------|
| Account Types                           | DEC. 2020 | NOV. 2020 | DEC. 2019 | Δ from PM ++ | Δ from PY * |
| NO. WATER ACCOUNTS                      | 6,580     | 6,539     | 6,299     | 41           | 281         |
| NO. SSCWD SEWER ACCTS                   | 1,239     | 1,240     | 1,238     | (1)          | 1           |
| NO. AUTO PAY CUSTOMERS                  | 2,941     | 2,910     | 2,680     | 31           | 261         |
| NO. E-BILL CUST'S (Paperless)           | 513       | 500       | 443       | 13           | 70          |
| Percent of Customers Gone Green         | 7.8%      | 7.6%      | 7.0%      |              |             |

++ PM = Prior Month

+ PY = Prior Year



The following chart shows the comparison of Retail Water, Sewer and Total Charges:



Water sales revenue of \$495,095 for December 2020, is down \$162,349 (or -24.7%) compared to last month and is up \$24,281 (or 5.2%) compared to December 2019. Sewer fee revenue of \$166,631 for December 2020, is consistent to last month, and is up \$11,346 (or 7.3%) compared to December 2019. Total SSCWD Charges of \$688,130 are down \$161,611 November and up \$21,909 from December 2019.

Installation fee revenue is based on the number of capacity fees collected and the size of the meter to be installed. During December 2020, we have collected \$12,150 for 30 water capacity fees, compared to \$11,365 in November 2020 and \$16,200 in December 2019, resulting in an increase of \$785 (or 6.9%) from last month and a decrease of \$4,050 from prior year (or -25%).

For the first month of fiscal year 2020/21, compared the same period last fiscal year:

- Late fee revenue of \$0 is down \$4,947 from December 2019.
- Administrative collection fees are down \$4,720 from December 2019, \$6,000 was written off due to COVID in December 2020;
- Net billing fees from the City of Hollister of \$12,585 is up \$657 from December 2019; and
- Other miscellaneous fees of \$1,140 is down \$770 from December 2019.

The table below summarizes December 2020 Monthly Charges by type compared to October 2020 and December 2019, respectively.

| SSCWD Monthly Charges Comparison |                |                |                |                  |                |                        |                       |
|----------------------------------|----------------|----------------|----------------|------------------|----------------|------------------------|-----------------------|
| MONTHLY CHARGES                  | DEC.<br>2020   | NOV.<br>2020   | DEC.<br>2019   | Δ from<br>PM ++  | Δ from<br>PY * | %<br>increase<br>PM ++ | %<br>increase<br>PY * |
| Retail Water Charges             | 495,095        | 657,444        | 470,814        | (162,349)        | 24,281         | -24.7%                 | 5.2%                  |
| Sewer Fees                       | 166,631        | 167,158        | 155,284        | (527)            | 11,346         | -0.3%                  | 7.3%                  |
| Installation Fees                | 12,150         | 11,365         | 16,200         | 785              | (4,050)        | 6.9%                   | -25.0%                |
| Late Fees                        | -              | -              | 4,947          | -                | (4,947)        | N/A                    | -100.0%               |
| Admin. Collection Fees, net      | 160            | 50             | 4,220          | 110              | (4,060)        | 220.0%                 | -96.2%                |
| COH Billing Fees                 | 12,657         | 12,585         | 12,036         | 72               | 621            | 0.6%                   | 5.2%                  |
| Other Misc. Fees                 | 1,437          | 1,140          | 2,720          | 297              | (1,283)        | 26.1%                  | -47.2%                |
| <b>TOTAL SSCWD CHARGES</b>       | <b>688,130</b> | <b>849,741</b> | <b>666,221</b> | <b>(161,611)</b> | <b>21,909</b>  | <b>-19.0%</b>          | <b>3.3%</b>           |

++ PM = Prior Month

+ PY = Prior Year

Water sold to customers for December 2020 totals 54 million gallons compared to 79.5 million gallons last month and 51.5 million gallons in December of 2019. This represents a decrease of 25.4 million gallons sold to customers (or -32%) over last month and an increase of 2.5 million gallons (or 4.8%) over December 2019.

The past due percentage of accounts receivable due from all customers for December 2020 is 13.4% compared to December 2019 of 6.38%. The past due percentage has increased from 10.83% in November 2020. The inability to charge late fees or shut off water for non-payment due to the pandemic continues to drive the increase in the past due balances. Under normal operating conditions, customers over 2 months past due would have service disrupted for non-payment and the ability to charge late fees would result in a reduction of the past due percentage. These results will be further discussed in Agenda Item G-2.

### **c. STATEMENT OF INCOME**

*(November 2020):*

#### Discussion:

For November 2020, Water operations shows Net Operating Income of \$55,346 and Net Income of \$398,170. Wastewater operations resulted in Net Operating Income of \$61,740 and Net Income of \$40,035. When combining Water and Wastewater, net income of \$438,205 is up \$347,736 from the prior month. This increase is primarily attributable to the \$269,100 increase in Capacity Fees from October. The total in Combined Income Adjusted for Non-Budgeted Items is \$88,516 for the month of November. Year-to-Date (YTD) Combined Income Adjusted for Non-Budgeted Items is \$94,563, which is attributable to timing of Water Revenue Sales for higher consumption months from July to November.

November Salaries and Benefits in Water Operations are consistent with October 2020 while Other Operating Expenses are down \$76,043 from October 2020. The decrease in operating expenses from October is due to the timing of water plant operating expenses between October and November. Wastewater operating expenses remain consistent to prior month.

In November of 2019, Water operations resulted in a Net Operating Loss of \$61,264 and a Net Income of \$21,005. The \$377,165 increase from November 2019 is attributable to the \$269,400 increase in Capacity Fees collected in November 2020. Wastewater operations is consistent to prior year.

**d. INVESTMENT SUMMARY**

*(December 31, 2020):*

Our total cash and invested funds are \$13,995,390 as of December 31, 2020, and is up \$424,467, compared to last month. The increase is attributable to \$351,000 in Capacity Fees received in December 2020. Compared to December 31, 2019, our total cash and invested funds is up \$3,064,191 or 28%. The increase in cash and invested funds from prior year is due primarily to the \$1.085 million dollar funding to CALPERS for the unfunded liability in August of 2019, which decreased the cash position in the prior year. This decrease has been offset by Capacity Fees collected since that funding. The District's invested funds at December 31<sup>st</sup> are split between the Local Agency Investment Fund (LAIF), and the Heritage Bank Money Market Account (MMA), with \$7,001,561 invested in LAIF, and \$1,062,355 invested in the MMA. The remaining balance of \$5,931,474 is on deposit with Heritage Bank in the District's checking account. Interest received year-to-date totals \$44,335, which represents six months of interest on the MMA, and quarterly interest from LAIF that posted in July and October.

**e. BOARD DESIGNATED RESERVES**

*(December 31, 2020):*

Attachment e. of the Finance Manager's report provides a summary of the Board Designate Reserve Balances as of December 31, 2020.

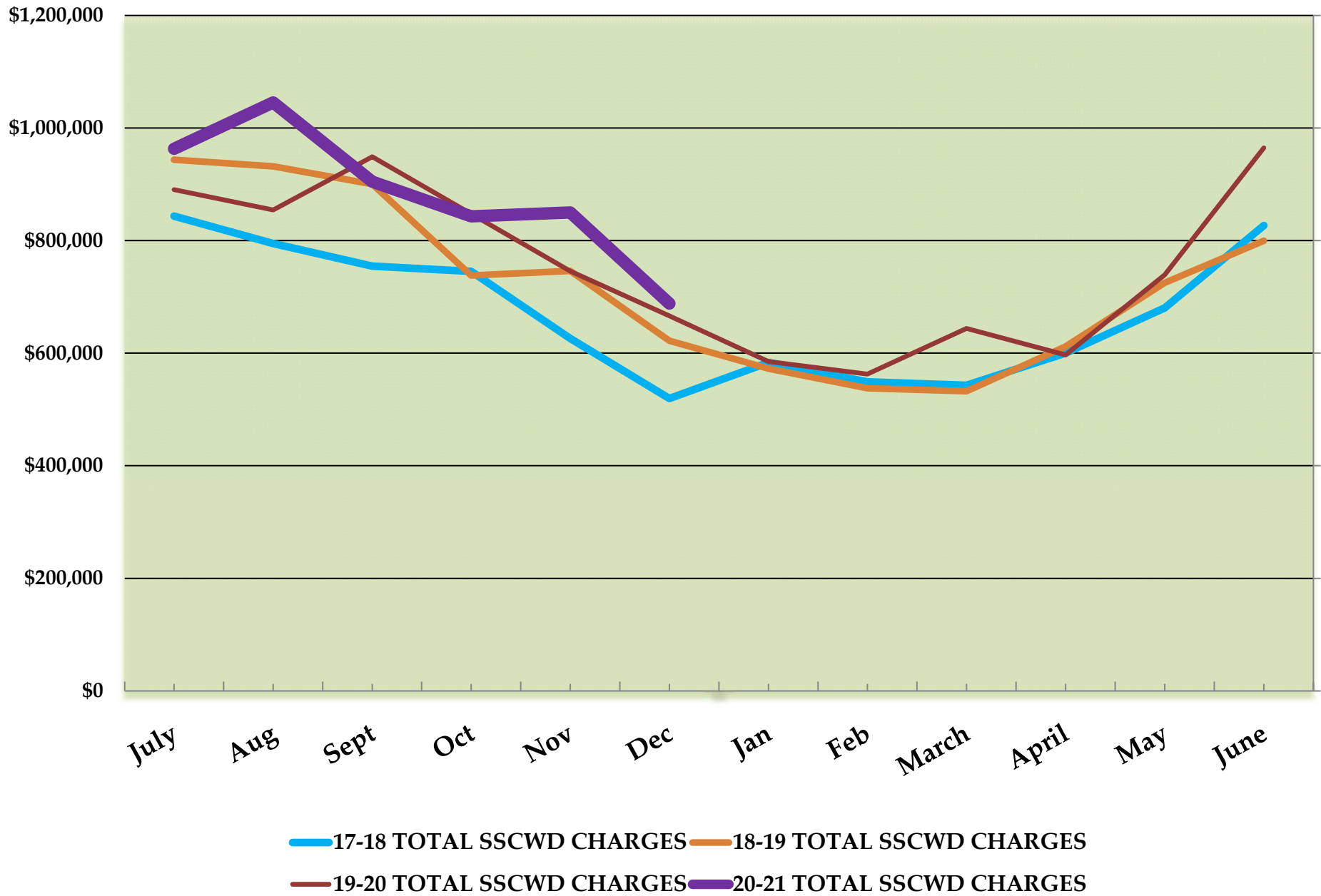
Sunnyslope County Water District

2020 / 2021  
OPERATION SUMMARY (This Year)

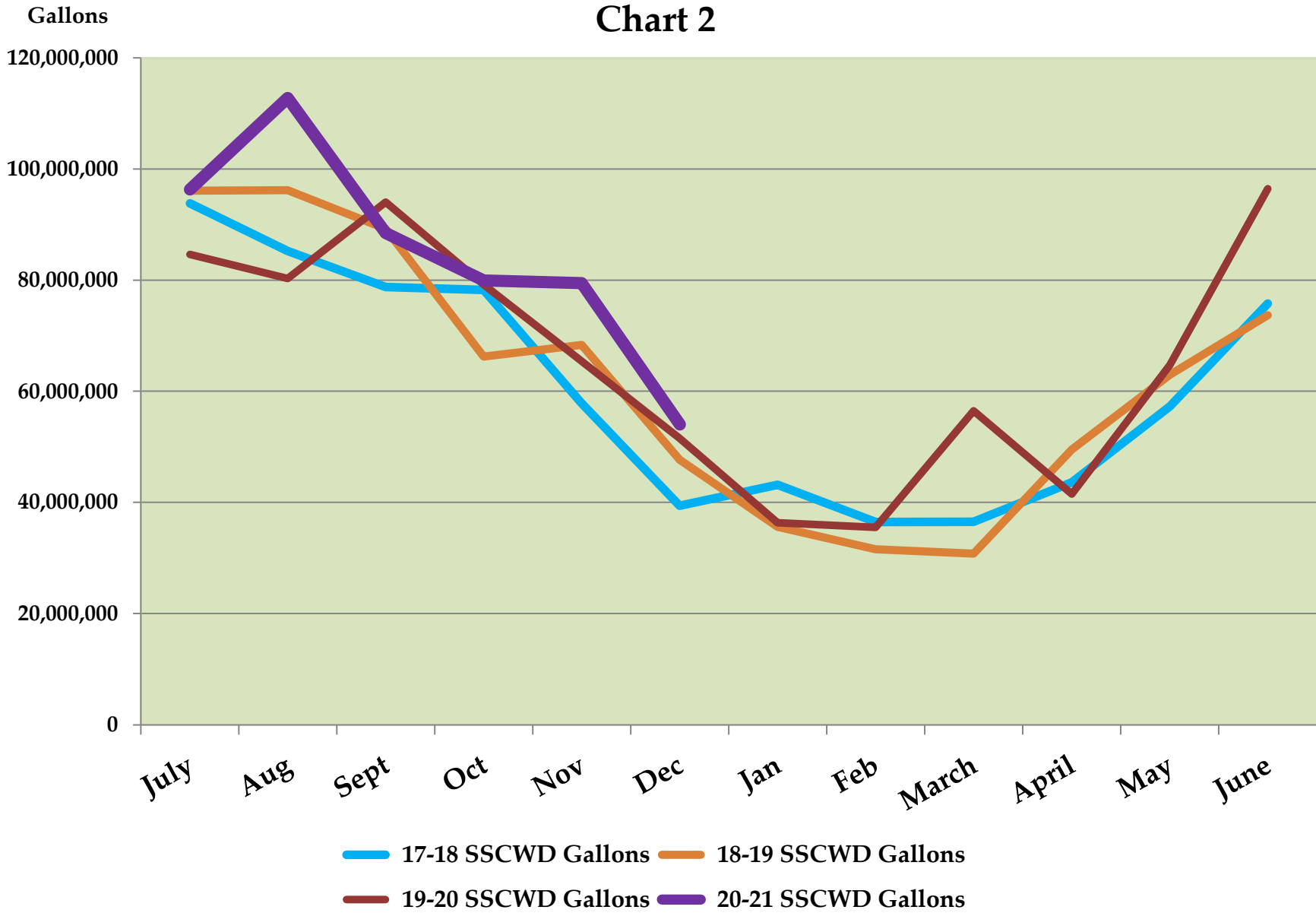
Agenda Item: F-4b

| ITEMS                              | JULY 2020              | AUG. 2020              | SEPT. 2020             | OCT. 2020              | NOV. 2020              | DEC. 2020              | TOTALS                 |
|------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| NO. WATER CAPACITY FEE RECD        | 20                     | 18                     | 22                     | 7                      | 24                     | 30                     | 121                    |
| NO. WW CAPACITY FEE RECD           | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| NO. WATER ACCOUNTS                 | 6,467                  | 6,481                  | 6,501                  | 6,517                  | 6,539                  | 6,580                  |                        |
| NO. SSCWD SEWER ACCTS              | 1,238                  | 1,236                  | 1,237                  | 1,236                  | 1,240                  | 1,239                  |                        |
| NO. COH SEWER ACCTS                | 4,074                  | 4,080                  | 4,112                  | 4,134                  | 4,156                  | 4,200                  |                        |
| NO. AUTO PAY CUSTOMERS             | 2,826                  | 2,844                  | 2,850                  | 2,876                  | 2,910                  | 2,941                  |                        |
| NO. E-BILL CUST'S (Paperless)      | 478                    | 485                    | 484                    | 497                    | 500                    | 513                    |                        |
| <b>MONTHLY CHARGES</b>             |                        |                        |                        |                        |                        |                        |                        |
| Retail Water Charges               | \$ 775,775.29          | \$ 857,815.88          | \$ 716,737.28          | 661,016.53             | 657,443.72             | \$ 495,095.19          | \$ 4,163,883.89        |
| Sewer Fees                         | 165,460.51             | 166,607.09             | 165,218.43             | 165,314.20             | 167,157.77             | 166,630.76             | 996,388.76             |
| Installation Fees                  | 8,100.00               | 7,290.00               | 8,910.00               | 2,835.00               | 11,365.00              | 12,150.00              | 50,650.00              |
| Late Fees                          | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Admin. Collection Fees, net        | 590.00                 | (40.00)                | 90.00                  | 60.00                  | 50.00                  | 160.00                 | 910.00                 |
| COH Billing Fees                   | 12,342.00              | 12,354.00              | 12,438.00              | 12,513.00              | 12,585.00              | 12,657.00              | 74,889.00              |
| Other Misc. Fees                   | 800.00                 | 1,222.80               | 944.13                 | 1,270.00               | 1,140.00               | 1,437.40               | 6,814.33               |
| <b>TOTAL SSCWD CHARGES</b>         | <b>\$ 963,067.80</b>   | <b>\$ 1,045,249.77</b> | <b>\$ 904,337.84</b>   | <b>\$ 843,008.73</b>   | <b>\$ 849,741.49</b>   | <b>\$ 688,130.35</b>   | <b>\$ 5,293,535.98</b> |
| <b>CITY OF HOLLISTER CHARGES</b>   |                        |                        |                        |                        |                        |                        |                        |
| COH Sewer Fees                     | 370,300.30             | 370,936.59             | 372,723.96             | 374,670.26             | 376,999.71             | 379,346.85             | \$ 2,244,977.67        |
| COH Street Sweeping                | 10,050.24              | 10,046.16              | 10,066.00              | 10,066.00              | 10,084.96              | 10,078.88              | 60,392.24              |
| COH Senior Discount                | (1,326.60)             | (1,346.70)             | (1,386.90)             | (1,377.52)             | (1,357.42)             | (1,346.70)             | (8,141.84)             |
| <b>Total COH Charges</b>           | <b>379,023.94</b>      | <b>379,636.05</b>      | <b>381,403.06</b>      | <b>383,358.74</b>      | <b>385,727.25</b>      | <b>388,079.03</b>      | <b>2,297,228.07</b>    |
| Late Fees **                       | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| <b>TOTAL COH CHARGES</b>           | <b>\$ 379,023.94</b>   | <b>\$ 379,636.05</b>   | <b>\$ 381,403.06</b>   | <b>\$ 383,358.74</b>   | <b>\$ 385,727.25</b>   | <b>\$ 388,079.03</b>   | <b>\$ 2,297,228.07</b> |
| <b>ACCOUNTS RECEIVABLE - Aged</b>  |                        |                        |                        |                        |                        |                        |                        |
| A/R for Sunnyslope Water **        | \$ 984,619.71          | \$ 1,055,071.44        | \$ 938,523.95          | \$ 880,387.53          | \$ 885,094.32          | \$ 732,864.00          |                        |
| A/R for City of Hollister **       | 400,737.12             | 407,000.53             | 414,089.95             | 416,549.82             | 427,531.75             | 427,962.91             |                        |
| <b>Outstanding Bills Owed</b>      | <b>\$ 1,385,356.83</b> | <b>\$ 1,462,071.97</b> | <b>\$ 1,352,613.90</b> | <b>\$ 1,296,937.35</b> | <b>\$ 1,312,626.07</b> | <b>\$ 1,160,826.91</b> |                        |
| Past Due                           | \$ 102,610.08          | \$ 106,279.41          | \$ 129,429.45          | \$ 131,871.32          | \$ 142,112.24          | \$ 155,515.03          |                        |
| % Past Due                         | 7.41%                  | 7.27%                  | 9.57%                  | 10.17%                 | 10.83%                 | 13.40%                 |                        |
| <b>WATER METERED</b>               |                        |                        |                        |                        |                        |                        |                        |
| Cubic Feet                         | 12,877,300             | 15,080,000             | 11,830,300             | 10,688,700             | 10,624,000             | 7,223,600              | 68,323,900             |
| SSCWD Gallons                      | 96,322,204             | 112,798,400            | 88,490,644             | 79,951,476             | 79,467,520             | 54,032,528             | 511,062,772            |
| Well Flow to COH Gallons           | 7,175,800              | 8,344,900              | 6,093,400              | 10,967,500             | 9,415,100              | 4,290,900              | 46,287,600             |
| Surface Flow to COH Gallons        | 13,631,701             | 16,782,127             | 16,193,640             | 8,394,805              | 9,744,589              | 7,419,646              | 72,166,508             |
| <b>TOTAL METERED</b>               | <b>117,129,705</b>     | <b>137,925,427</b>     | <b>110,777,684</b>     | <b>99,313,781</b>      | <b>98,627,209</b>      | <b>65,743,074</b>      | <b>629,516,880</b>     |
| <b>WATER SOURCE</b>                |                        |                        |                        |                        |                        |                        |                        |
| Well #2 (Southside Road)           | -                      | -                      | -                      | 4,356,000              | 3,309,000              | 1,168,000              | 8,833,000              |
| Well #5 (Ray Cir/Enterprise)       | 1,795,134              | 5,029,002              | 3,308,269              | 7,938,403              | 4,692,185              | 1,640,357              | 24,403,350             |
| Well #7 (Enterprise Rd)            | 5,079,729              | 6,184,298              | 3,257,530              | 7,844,228              | 5,163,825              | 1,856,022              | 29,385,632             |
| Well #8 (Ridgemark)                | 7,968,000              | 14,471,000             | 11,478,000             | 18,943,000             | 15,318,000             | 6,672,000              | 74,850,000             |
| Well #11 (Southside Road)          | 13,629,000             | 14,204,000             | 7,455,000              | 16,810,000             | 12,949,000             | 4,304,000              | 69,351,000             |
| <b>Wells</b>                       | <b>28,471,863</b>      | <b>39,888,300</b>      | <b>25,498,799</b>      | <b>55,891,631</b>      | <b>41,432,010</b>      | <b>15,640,379</b>      | <b>206,822,982</b>     |
| Lessalt W.T.P. I (High Zone)       | 31,279,000             | 22,009,000             | 22,259,000             | 7,894,000              | 18,247,000             | 22,262,000             | 123,950,000            |
| Lessalt W.T.P. I (Middle Zone)     | 18,046,000             | 13,187,000             | 12,644,000             | 4,630,000              | 9,048,060              | 10,469,000             | 68,024,060             |
| West Hills W.T.P. (@ Well #2)      | 21,206,000             | 30,249,000             | 27,545,000             | 15,364,000             | 16,157,000             | 10,888,000             | 121,409,000            |
| West Hills W.T.P. (@ Well #11)     | 21,244,000             | 30,303,000             | 27,485,000             | 16,027,400             | 16,715,600             | 11,174,000             | 122,949,000            |
| City Well Flow to SSCWD Gallons    | 343,400                | 431,000                | 274,000                | 754,300                | 554,800                | 216,500                | 2,574,000              |
| City Surface Flow to SSCWD Gallons | 549,400                | 1,180,700              | 549,000                | 532,900                | 525,000                | 358,600                | 3,695,600              |
| <b>TOTAL PUMPED</b>                | <b>121,139,663</b>     | <b>137,248,000</b>     | <b>116,254,799</b>     | <b>101,094,231</b>     | <b>102,679,470</b>     | <b>71,008,479</b>      | <b>649,424,642</b>     |
| Estimated Water Loss               | 4,009,958              | -                      | 5,477,115              | 1,780,450              | 4,052,261              | 5,265,405              | 20,585,189             |
| Water Loss %                       | 3.310%                 | 0.000%                 | 4.711%                 | 1.761%                 | 3.947%                 | 7.415%                 | 3.170%                 |
| Estimated Water Gain               | 677,427                | 677,427                | -                      | -                      | -                      | -                      | 677,427                |
| Water Gain %                       | 0.000%                 | 0.491%                 | 0.000%                 | 0.000%                 | 0.000%                 | 0.000%                 | 0.108%                 |
| Total Net Water Loss               |                        |                        |                        |                        |                        |                        | 19,907,762             |

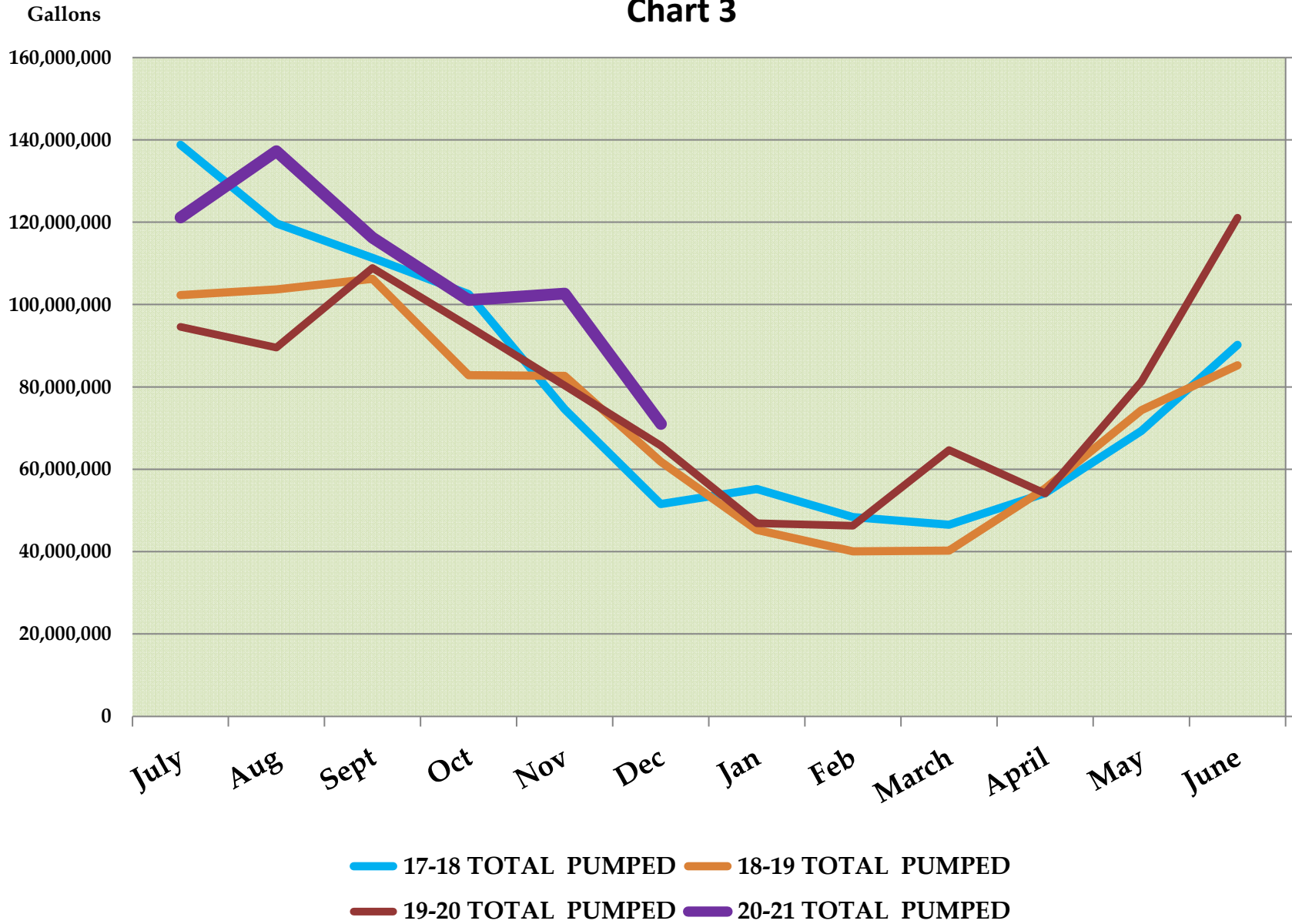
## Total SSCWD Charges Chart 1



## Total Water Metered to SSCWD Customers Chart 2



### Total Water Pumped into SSCWD System Chart 3



**Sunnyslope County Water District**  
2019 / 2020 OPERATION SUMMARY (Last Year)

| ITEMS                              | JULY 2019            | AUG. 2019            | SEPT. 2019           | OCT. 2019            | NOV. 2019            | DEC. 2019            | TOTALS                 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| NO. WATER CAPACITY FEE RECD        | 48                   | 21                   | 6                    | 31                   | 3                    | 40                   | 149                    |
| NO. WW CAPACITY FEE RECD           | -                    | -                    | -                    | -                    | -                    | -                    | -                      |
| NO. WATER ACCOUNTS                 | 6,177                | 6,173                | 6,216                | 6,251                | 6,249                | 6,299                |                        |
| NO. SSCWD SEWER ACCTS              | 1,236                | 1,229                | 1,231                | 1,234                | 1,231                | 1,238                |                        |
| NO. COH SEWER ACCTS                | 3,894                | 3,908                | 3,918                | 3,934                | 3,943                | 3,976                |                        |
| NO. AUTO PAY CUSTOMERS             | 2,532                | 2,554                | 2,583                | 2,614                | 2,640                | 2,680                |                        |
| NO. E-BILL CUST'S (Paperless)      | 414                  | 415                  | 418                  | 419                  | 419                  | 443                  |                        |
| <b>MONTHLY CHARGES</b>             |                      |                      |                      |                      |                      |                      |                        |
| Retail Water Charges               | \$ 688,956.76        | \$ 664,349.80        | \$ 763,824.51        | 650,433.88           | 564,057.50           | \$ 470,813.87        | \$ 3,802,436.32        |
| Sewer Fees                         | 157,302.64           | 156,881.63           | 158,263.24           | 156,538.89           | 155,056.98           | 155,284.36           | 939,327.74             |
| Installation Fees                  | 19,440.00            | 8,505.00             | 2,905.00             | 12,555.00            | 2,165.00             | 16,200.00            | 61,770.00              |
| Late Fees                          | 6,035.78             | 6,874.90             | 5,767.63             | 8,705.27             | 5,888.26             | 4,946.50             | 38,218.34              |
| Admin. Collection Fees, net        | 4,570.00             | 4,620.00             | 4,380.00             | 5,670.00             | 4,770.00             | 4,220.00             | 28,230.00              |
| COH Billing Fees                   | 11,772.00            | 11,808.00            | 11,832.00            | 11,886.00            | 11,928.00            | 12,036.00            | 71,262.00              |
| Other Misc. Fees                   | 2,122.44             | 1,150.00             | 1,558.06             | 1,530.97             | 1,910.00             | 2,720.26             | 10,991.73              |
| <b>TOTAL SSCWD CHARGES</b>         | <b>\$ 890,199.62</b> | <b>\$ 854,189.33</b> | <b>\$ 948,530.44</b> | <b>\$ 847,320.01</b> | <b>\$ 745,775.74</b> | <b>\$ 666,220.99</b> | <b>\$ 4,952,236.13</b> |
| <b>CITY OF HOLLISTER CHARGES</b>   |                      |                      |                      |                      |                      |                      |                        |
| COH Sewer Fees                     | 355,606.65           | 356,261.47           | 357,638.25           | 358,335.93           | 359,570.77           | 361,910.42           | \$ 2,149,323.49        |
| COH Street Sweeping                | 9,979.44             | 10,002.72            | 10,009.04            | 10,016.00            | 10,011.60            | 10,016.88            | 60,035.68              |
| COH Senior Discount                | (1,266.30)           | (1,286.40)           | (1,286.40)           | (1,306.50)           | (1,306.50)           | (1,306.50)           | (7,758.60)             |
| Total COH Charges                  | 364,319.79           | 364,977.79           | 366,360.89           | 367,045.43           | 368,275.87           | 370,620.80           | 2,201,600.57           |
| Late Fees **                       | 2,197.37             | 2,381.54             | 2,295.90             | 3,001.71             | 2,645.67             | 2,246.47             | 14,768.66              |
| <b>TOTAL COH CHARGES</b>           | <b>\$ 366,517.16</b> | <b>\$ 367,359.33</b> | <b>\$ 368,656.79</b> | <b>\$ 370,047.14</b> | <b>\$ 370,921.54</b> | <b>\$ 372,867.27</b> | <b>\$ 2,216,369.23</b> |
| <b>ACCOUNTS RECEIVABLE - Aged</b>  |                      |                      |                      |                      |                      |                      |                        |
| A/R for Sunnyslope Water **        | \$ 859,026.24        | \$ 850,372.33        | \$ 946,025.25        | \$ 846,206.64        | \$ 746,581.49        | \$ 640,479.97        |                        |
| A/R for City of Hollister **       | 375,487.33           | 376,943.14           | 381,328.24           | 381,641.56           | 382,968.97           | 383,681.47           |                        |
| Outstanding Bills Owed             | \$ 1,234,513.57      | \$ 1,227,315.47      | \$ 1,327,353.49      | \$ 1,227,848.20      | \$ 1,129,550.46      | \$ 1,024,161.44      |                        |
| Past Due                           | \$ 66,210.33         | \$ 78,640.60         | \$ 74,898.49         | \$ 82,273.00         | \$ 80,337.22         | \$ 65,347.93         |                        |
| % Past Due                         | 5.36%                | 6.41%                | 5.64%                | 6.70%                | 7.11%                | 6.38%                |                        |
| <b>WATER METERED</b>               |                      |                      |                      |                      |                      |                      |                        |
| Cubic Feet                         | 11,311,500           | 10,732,100           | 12,570,200           | 10,586,100           | 8,744,700            | 6,891,400            | 60,836,000             |
| SSCWD Gallons                      | 84,610,020           | 80,276,108           | 94,025,096           | 79,184,028           | 65,410,356           | 51,547,672           | 455,053,280            |
| Well Flow to COH Gallons           | 4,175,000            | 3,944,400            | 5,017,200            | 3,907,900            | 4,694,400            | 3,273,400            | 25,012,300             |
| Surface Flow to COH Gallons        | 2,383,587            | 2,023,805            | 3,296,235            | 6,799,685            | 7,605,915            | 7,707,484            | 29,816,711             |
| <b>TOTAL METERED</b>               | <b>91,168,607</b>    | <b>86,244,313</b>    | <b>102,338,531</b>   | <b>89,891,613</b>    | <b>77,710,671</b>    | <b>62,528,556</b>    | <b>509,882,291</b>     |
| <b>WATER SOURCE</b>                |                      |                      |                      |                      |                      |                      |                        |
| Well #2 (Southside Road)           | -                    | -                    | 99,000               | 1,358,000            | 911,000              | 905,000              | 3,273,000              |
| Well #5 (Ray Cir/Enterprise)       | 541,499              | 1,001,356            | 1,473,160            | 915,059              | 702,094              | 517,201              | 5,150,369              |
| Well #7 (Enterprise Rd)            | 4,301,929            | 4,453,091            | 7,279,333            | 1,246,088            | 2,022,759            | 984,809              | 20,288,009             |
| Well #8 (Ridgemark)                | 581,000              | 520,000              | 661,000              | 625,000              | 517,000              | 608,000              | 3,512,000              |
| Well #11 (Southside Road)          | 18,105,000           | 17,214,000           | 17,732,000           | 4,414,000            | 5,384,000            | 2,502,000            | 65,351,000             |
| Wells                              | 23,529,428           | 23,188,447           | 27,244,493           | 8,558,147            | 9,536,853            | 5,517,010            | 97,574,378             |
| Lessalt W.T.P. I (High Zone)       | 35,817,000           | 34,171,000           | 40,229,000           | 32,184,000           | 27,999,000           | 21,962,000           | 192,362,000            |
| Lessalt W.T.P. I (Middle Zone)     | 20,436,000           | 17,471,000           | 23,105,000           | 23,455,000           | 19,230,000           | 15,100,000           | 118,797,000            |
| West Hills W.T.P (@ Well #2)       | -                    | -                    | 1,510,000            | 12,421,000           | 10,892,000           | 9,695,000            | 34,518,000             |
| West Hills W.T.P (@ Well #11)      | -                    | -                    | 1,430,000            | 13,087,000           | 11,043,000           | 10,935,000           | 36,495,000             |
| City Well Flow to SSCWD Gallons    | 8,137,300            | 8,446,900            | 9,797,000            | 3,809,800            | 1,089,100            | 565,300              | 31,845,400             |
| City Surface Flow to SSCWD Gallons | 6,638,100            | 6,272,600            | 5,583,900            | 1,216,900            | 545,500              | 1,946,800            | 22,203,800             |
| <b>TOTAL PUMPED</b>                | <b>94,557,828</b>    | <b>89,549,947</b>    | <b>108,899,393</b>   | <b>94,731,847</b>    | <b>80,335,453</b>    | <b>65,721,110</b>    | <b>533,795,578</b>     |
| Estimated Water Loss               | 3,389,221            | 3,305,634            | 6,560,862            | 4,840,234            | 2,624,782            | 3,192,654            | 23,913,287             |
| Water Loss %                       | 3.584%               | 3.691%               | 6.025%               | 5.109%               | 3.267%               | 4.858%               | 4.480%                 |
| Estimated Water Gain               | -                    | -                    | -                    | -                    | -                    | -                    | -                      |
| Water Gain %                       | 0.000%               | 0.000%               | 0.000%               | 0.000%               | 0.000%               | 0.000%               | 0.000%                 |
| Total Net Water Loss               | 3,389,221            | 3,305,634            | 6,560,862            | 4,840,234            | 2,624,782            | 3,192,654            | 23,913,287             |



**Sunnyslope County Water District**  
 STATEMENT OF INCOME  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2021 (This Year)  
 UN-AUDITED 1/14/2021

| *** WATER ***  | Oct-20             | Nov-20            | Variance Over /<br>(Under) Prior<br>Month | Oct-19             | Nov-19             | Variance Over /<br>(Under) Prior<br>Year | YEAR-<br>TO-DATE    | PROJECTED<br>ACTUAL | FY 20/21<br>BUDGET    |
|--|--------------------|-------------------|---|--------------------|--------------------|--|---------------------|---------------------|-----------------------|
| <b>OPERATING REVENUES</b>  |                    |                   |   |                    |                    |  |                     |                     |                       |
| Water Sales  | 661,371            | 657,640           | (3,731)                                   | 650,374            | 565,914            | 91,726                                   | 3,661,530           | 6,487,672           | 6,600,000             |
| Contracted Services  | 220,953            | 220,953           | -   | 195,650            | 195,650            | 25,303                                   | 1,104,765           | 2,651,436           | 2,651,436             |
| Installation Fees  | 2,835              | 11,365            | 8,530                                     | 12,555             | 2,165              | 9,200                                    | 38,500              | 92,400              | 80,000                |
| Late Fees  | -                  | -                 | -   | 6,964              | 4,711              | (4,711)                                  | -                   | -                   | 52,000                |
| Other Revenue  | 10,886             | 10,793            | (93)                                      | 15,279             | 14,970             | (4,177)                                  | 53,709              | 178,747             | 183,280               |
| <b>TOTAL OPERATING REVENUES</b>                                    | <b>896,045</b>     | <b>900,751</b>    | <b>4,706</b>                              | <b>880,822</b>     | <b>783,410</b>     | <b>117,341</b>                           | <b>4,858,504</b>    | <b>9,410,255</b>    | <b>9,566,716</b>      |
| <b>OPERATING EXPENSES</b>  |                    |                   |   |                    |                    |  |                     |                     |                       |
| Salaries and Benefits  | (172,015)          | (158,146)         | (13,869)                                  | (212,783)          | (208,052)          | (49,906)                                 | (862,388)           | (2,069,732)         | (2,758,280)           |
| Operating Expenses   | (763,302)          | (687,259)         | (76,043)                                  | (559,583)          | (636,622)          | 50,637                                   | (3,700,066)         | (7,880,157)         | (7,992,405)           |
| <b>TOTAL OPERATING EXPENSES</b>                                    | <b>(935,317)</b>   | <b>(845,405)</b>  | <b>(89,912)</b>                           | <b>(772,366)</b>   | <b>(844,674)</b>   | <b>731</b>                               | <b>(4,562,454)</b>  | <b>(9,949,889)</b>  | <b>(10,750,685)</b>   |
| <b>NET OPERATING INCOME</b>  | <b>(39,272)</b>    | <b>55,346</b>     | <b>94,618</b>                             | <b>108,456</b>     | <b>(61,264)</b>    | <b>116,610</b>                           | <b>296,050</b>      | <b>(539,634)</b>    | <b>(1,183,969)</b>    |
| <b>NON OPERATING INCOME &amp; (EXPENSES)</b>                       |                    |                   |   |                    |                    |  |                     |                     |                       |
| Capacity Fees  | 81,900             | 351,000           | 269,100                                   | 341,000            | 81,600             | 269,400                                  | 1,134,900           | 1,134,900           | -                     |
| Donated Asset  | -                  | -                 | -   | -                  | -                  | -  | -                   | -                   | -                     |
| Miscellaneous Income (Farm Labor Camp)                             | -                  | -                 | -   | -                  | -                  | -  | -                   | -                   | -                     |
| Adjust LAIF Investment to Fair Value                               | -                  | -                 | -   | -                  | -                  | -  | (34,956)            | (34,956)            | -                     |
| Interest Income  | 6,972              | -                 | (6,972)                                   | 8,044              | -                  | -  | 17,114              | 17,114              | -                     |
| Allocated from G & A (Interest & Sale of Assets)                   | 6,115              | (1,049)           | (7,164)                                   | 19,184             | 669                | (1,718)                                  | 6,199               | 6,199               | -                     |
| Debt Service (Loan Expense) & Disposal of Assets                   | (7,128)            | (7,128)           | -   | (155,561)          | -                  | (7,128)                                  | (15,336)            | (82,000)            | (82,000)              |
| <b>TOTAL NON OPERATING INCOME &amp; (EXPENSES)</b>                 | <b>87,859</b>      | <b>342,823</b>    | <b>254,964</b>                            | <b>212,667</b>     | <b>82,269</b>      | <b>260,554</b>                           | <b>1,107,920</b>    | <b>1,041,257</b>    | <b>(82,000)</b>       |
| <b>NET WATER INCOME (LOSS)</b>                                     | <b>\$ 48,587</b>   | <b>\$ 398,170</b> | <b>\$ 349,582</b>                         | <b>\$ 321,123</b>  | <b>\$ 21,005</b>   | <b>\$ 377,165</b>                        | <b>\$ 1,403,971</b> | <b>\$ 501,623</b>   | <b>\$ (1,265,969)</b> |
| <b>NET WATER INCOME (LOSS) Adjusted for<br/>Non Budgeted Items</b> |                    |                   |   |                    |                    |  |                     |                     |                       |
|  | <b>\$ (46,400)</b> | <b>\$ 48,219</b>  | <b>\$ 94,618</b>                          | <b>\$ (47,105)</b> | <b>\$ (61,264)</b> | <b>\$ 109,483</b>                        | <b>\$ 280,714</b>   | <b>\$ (621,634)</b> | <b>\$ (1,265,969)</b> |

# Sunnyslope County Water District

STATEMENT OF INCOME  
FOR THE FISCAL YEAR ENDING JUNE 30, 2021 (This Year)  
UN-AUDITED 1/14/2021

| *** WASTEWATER ***                                 | Oct-20           | Nov-20           | Variance Over /<br>(Under) Prior<br>Month | Oct-19          | Nov-19           | Variance Over /<br>(Under) Prior<br>Year |
|--|------------------|------------------|---|-----------------|------------------|--|
| <b>OPERATING REVENUES</b>                          |                  |                  |   |                 |                  |  |
| Sewer Sales  | 165,314          | 167,158          | 1,844                                     | 156,539         | 155,056          | 12,102                                   |
| Installation Fees                                  | -                | -                | -   | -               | -                | -  |
| Late Fees  | -                | -                | -   | 1,741           | 1,178            | (1,178)                                  |
| Other Revenue                                      | 2,717            | 2,697            | (20)                                      | 3,808           | 3,672            | (975)                                    |
| <b>TOTAL OPERATING REVENUES</b>                    | <b>168,032</b>   | <b>169,855</b>   | <b>1,823</b>                              | <b>162,088</b>  | <b>159,906</b>   | <b>9,949</b>                             |
| <b>OPERATING EXPENSES</b>                          |                  |                  |   |                 |                  |  |
| Salaries and Benefits                              | (46,568)         | (42,298)         | (4,270)                                   | (44,692)        | (41,789)         | 509                                      |
| Operating Expenses                                 | (59,669)         | (65,817)         | 6,149                                     | (48,239)        | (64,771)         | 1,046                                    |
| <b>TOTAL OPERATING EXPENSES</b>                    | <b>(106,237)</b> | <b>(108,115)</b> | <b>1,879</b>                              | <b>(92,931)</b> | <b>(106,560)</b> | <b>1,555</b>                             |
| <b>NET OPERATING INCOME</b>                        | <b>61,795</b>    | <b>61,740</b>    | <b>(55)</b>                               | <b>69,157</b>   | <b>53,346</b>    | <b>8,394</b>                             |
| <b>NON OPERATING INCOME &amp; (EXPENSES)</b>       |                  |                  |   |                 |                  |  |
| Capacity Fees                                      | -                | -                | -   | -               | -                | -  |
| Miscellaneous Income                               | -                | -                | -   | -               | -                | -  |
| Adjust LAIF Investment to Fair Value               | -                | -                | -   | -               | -                | -  |
| Interest Income                                    | -                | -                | -   | -               | -                | -  |
| Allocated from G & A (Interest & Sale of Assets)   | 1,529            | (262)            | (1,791)                                   | 4,796           | 167              | (429)                                    |
| Debt Service (Loan Expense) & Southside Rd. Slide  | (21,442)         | (21,442)         | -   | (3,826)         | (2,040)          | (19,402)                                 |
| <b>TOTAL NON OPERATING INCOME &amp; (EXPENSES)</b> | <b>(19,913)</b>  | <b>(21,704)</b>  | <b>(1,791)</b>                            | <b>970</b>      | <b>(1,873)</b>   | <b>(19,831)</b>                          |
| <b>NET WASTEWATER INCOME (LOSS)</b>                | <b>41,882</b>    | <b>\$ 40,035</b> | <b>(1,846)</b>                            | <b>70,127</b>   | <b>51,473</b>    | <b>(11,438)</b>                          |
| <b>NET WASTEWATER INCOME (LOSS)</b>                |                  |                  |   |                 |                  |  |
| <i>Adjusted for Non Budgeted Items</i>             | \$ 40,353        | \$ 40,298        | \$ (55)                                   | \$ 65,331       | \$ 51,306        | \$ (11,008)                              |

| YEAR-<br>TO-DATE | PROJECTED<br>ACTUAL | FY 20/21<br>BUDGET |
|------------------|---------------------|--------------------|
| 834,668          | 2,404,004           | 1,900,000          |
| -                | -                   | 50                 |
| -                | -                   | 13,000             |
| 13,237           | 39,712              | 44,820             |
| 847,905          | 2,443,716           | 1,957,870          |
| (221,837)        | (665,510)           | (549,848)          |
| (302,004)        | (906,013)           | (698,150)          |
| (523,841)        | (1,571,523)         | (1,247,998)        |
| 324,064          | 872,193             | 709,872            |
| -                | -                   | -                  |
| -                | -                   | -                  |
| (8,739)          | -                   | -                  |
| 73               | 73                  | -                  |
| 1,280            | 1,280               | -                  |
| (86,742)         | (255,800)           | (255,800)          |
| (94,128)         | (254,448)           | (255,800)          |
| 229,936          | 617,745             | 454,072            |
| \$ 237,322       | \$ 616,393          | \$ 454,072         |

| *** WATER & WASTEWATER ***                                  | Oct-20            | Nov-20           | Variance Over /<br>(Under) Prior<br>Year | Oct-19           | Nov-19            | Variance Over /<br>(Under) Prior<br>Year |
|---|-------------------|------------------|--|------------------|-------------------|--|
| <b>*** COMBINED INCOME (LOSS) WATER &amp; WASTEWATER***</b> | <b>90,469</b>     | <b>438,205</b>   | <b>347,736</b>                           | <b>391,250</b>   | <b>72,478</b>     | <b>365,727</b>                           |
| <b>*** COMBINED INCOME (LOSS) WATER &amp; WASTEWATER</b>    | <b>\$ (6,047)</b> | <b>\$ 88,516</b> | <b>\$ 94,563</b>                         | <b>\$ 18,226</b> | <b>\$ (9,958)</b> | <b>\$ 98,474</b>                         |
| <i>Adjusted for Non - Budgeted Items</i>                    |                   |                  |  |                  |                   |  |

| YEAR-<br>TO-DATE | PROJECTED<br>ACTUAL | FY 20/21<br>BUDGET |
|------------------|---------------------|--------------------|
| 1,633,907        | 1,264,772           | (149,038)          |
| \$ 518,036       | \$ 140,163          | \$ (149,038)       |

**Sunnyslope County Water District**  
Investment Summary  
2020 / 2021 (This Year)

Agenda Item: **F-4d**

| BANK ACCOUNT                                       | INTEREST RATE       | JULY 2020               | AUGUST 2020             | SEPTEMBER 2020          | OCTOBER 2020            | NOVEMBER 2020           | DECEMBER 2020           |
|--|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b><u>Heritage Bank of Commerce</u></b>            |                     |                         |                         |                         |                         |                         |                         |
| CHECKING ACCOUNT<br>Operating - General Fund       | 0.000%              | \$ 4,554,854.66         | \$ 4,353,266.01         | \$ 4,611,624.18         | \$ 5,053,825.42         | \$ 5,507,639.05         | \$ 5,931,474.38         |
| <b>CHECKING SUBTOTAL</b>                           |                     | <b>\$ 4,554,854.66</b>  | <b>\$ 4,353,266.01</b>  | <b>\$ 4,611,624.18</b>  | <b>\$ 5,053,825.42</b>  | <b>\$ 5,507,639.05</b>  | <b>\$ 5,931,474.38</b>  |
| MONEY MARKET ACCT (MMA)<br>Invested - General Fund | 0.800%              | 1,058,976.90            | 1,059,696.66            | 1,060,393.67            | 1,061,047.53            | 1,061,723.61            | 1,062,355.01            |
| <b>MMA SUBTOTAL</b>                                |                     | <b>\$ 1,058,976.90</b>  | <b>\$ 1,059,696.66</b>  | <b>\$ 1,060,393.67</b>  | <b>\$ 1,061,047.53</b>  | <b>\$ 1,061,723.61</b>  | <b>\$ 1,062,355.01</b>  |
| <b><u>L. A. I. F.</u></b>                          |                     |                         |                         |                         |                         |                         |                         |
| <b><u>(Local Agency Investment Fund)</u></b>       | As of: Nov. 20      |                         |                         |                         |                         |                         |                         |
| General Fund                                       | 0.576%              | 452,087.51              | 334,952.14              | 210,938.42              | 225,831.14              | (30,981.92)             | (185,042.79)            |
| Water Connect. Fee                                 | 0.576%              | 3,012,904.69            | 3,124,782.03            | 3,283,459.37            | 3,273,609.07            | 3,525,886.41            | 3,778,163.75            |
| Sewer Connect. Fee                                 | 0.576%              | 39,921.65               | 39,921.65               | -                       | -                       | -                       | -                       |
| SRF Loan Reserve                                   | 0.576%              | 760,000.00              | 760,000.00              | 760,000.00              | 760,000.00              | 760,000.00              | 760,000.00              |
| Board Designated Reserves                          | 0.576%              | 2,721,810.72            | 2,727,068.75            | 2,732,326.78            | 2,742,120.53            | 2,746,656.25            | 2,648,439.78            |
| <b>L.A.I.F. SUBTOTAL</b>                           |                     | <b>\$ 6,986,724.57</b>  | <b>\$ 6,986,724.57</b>  | <b>\$ 6,986,724.57</b>  | <b>\$ 7,001,560.74</b>  | <b>\$ 7,001,560.74</b>  | <b>\$ 7,001,560.74</b>  |
| <b>GRAND TOTAL</b>                                 |                     | <b>\$ 12,600,556.13</b> | <b>\$ 12,399,687.24</b> | <b>\$ 12,658,742.42</b> | <b>\$ 13,116,433.69</b> | <b>\$ 13,570,923.40</b> | <b>\$ 13,995,390.13</b> |
| <b>GENERAL FUND</b>                                |                     | <b>\$ 6,065,919.07</b>  | <b>\$ 5,747,914.81</b>  | <b>\$ 5,882,956.27</b>  | <b>\$ 6,340,704.09</b>  | <b>\$ 6,538,380.74</b>  | <b>\$ 6,808,786.60</b>  |
| <b>BOARD DESIGNATED RESERVES</b>                   |                     | <b>\$ 2,721,810.72</b>  | <b>\$ 2,727,068.75</b>  | <b>\$ 2,732,326.78</b>  | <b>\$ 2,742,120.53</b>  | <b>\$ 2,746,656.25</b>  | <b>\$ 2,648,439.78</b>  |
| <b>WATER CONN. FEE FUNDS</b>                       |                     | <b>\$ 3,012,904.69</b>  | <b>\$ 3,124,782.03</b>  | <b>\$ 3,283,459.37</b>  | <b>\$ 3,273,609.07</b>  | <b>\$ 3,525,886.41</b>  | <b>\$ 3,778,163.75</b>  |
| <b>S. C. FEE FUNDS</b>                             |                     | <b>\$ 39,921.65</b>     | <b>\$ 39,921.65</b>     | <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ -</b>             |
| <b>SRF Loan Reserves</b>                           |                     | <b>\$ 760,000.00</b>    | <b>\$ 760,000.00</b>    | <b>\$ 760,000.00</b>    | <b>\$ 760,000.00</b>    | <b>\$ 760,000.00</b>    | <b>\$ 760,000.00</b>    |
| <b>* TOTAL INTEREST RECORDED</b>                   | <b>\$ 44,335.11</b> | <b>\$ 26,120.85</b>     | <b>\$ 719.76</b>        | <b>\$ 697.01</b>        | <b>\$ 15,490.03</b>     | <b>\$ 676.06</b>        | <b>\$ 631.40</b>        |

## Sunnyslope County Water District

### Investment Summary 2019 / 2020 (Last Year)

| BANK ACCOUNT   | INTEREST RATE       | JULY<br>2019           | AUGUST<br>2019          | SEPTEMBER<br>2019      | OCTOBER<br>2019         | NOVEMBER<br>2019        | DECEMBER<br>2019        |
|--|---------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| <b><i>Heritage Bank of Commerce</i></b>                            |                     |                        |                         |                        |                         |                         |                         |
| CHECKING ACCOUNT<br>Operating - General Fund                       | 0.000%              | \$ 3,795,967.44        | \$ 3,701,592.07         | \$ 3,380,714.13        | \$ 3,589,977.57         | \$ 4,020,493.70         | \$ 4,318,486.01         |
| <b>CHECKING SUBTOTAL</b>   |                     | <b>\$ 3,795,967.44</b> | <b>\$ 3,701,592.07</b>  | <b>\$ 3,380,714.13</b> | <b>\$ 3,589,977.57</b>  | <b>\$ 4,020,493.70</b>  | <b>\$ 4,318,486.01</b>  |
| MONEY MARKET ACCT (MMA)<br>Invested - General Fund                 | 0.950%              | 1,049,596.82           | 1,050,416.68            | 1,051,264.54           | 1,052,113.08            | 1,052,907.50            | 1,053,784.80            |
| MONEY MARKET ACCT (MMA)<br>Retainage - Specialty Construction      | 0.200%              | 234,987.84             | 252,661.04              | 255,314.79             | 260,893.99              | 260,935.45              | 260,981.21              |
| <b>MMA SUBTOTAL</b>  |                     | <b>\$ 1,284,584.66</b> | <b>\$ 1,303,077.72</b>  | <b>\$ 1,306,579.33</b> | <b>\$ 1,313,007.07</b>  | <b>\$ 1,313,842.95</b>  | <b>\$ 1,314,766.01</b>  |
| <b><i>L. A. I. F.</i></b><br><i>(Local Agency Investment Fund)</i> |                     |                        |                         |                        |                         |                         |                         |
| General Fund   | 2.103%              | (39,436.38)            | 328,286.28              | 376,637.88             | 157,445.56              | 174,568.22              | (166,709.12)            |
| Water Connect. Fee   | 2.103%              | 1,228,658.42           | 1,360,935.76            | 1,352,513.10           | 1,602,834.00            | 1,585,711.34            | 1,926,988.68            |
| Sewer Connect. Fee   | 2.103%              | 39,928.94              | 39,928.94               | -                      | -                       | -                       | -                       |
| SRF Loan Reserve   | 2.103%              | 760,000.00             | 760,000.00              | 760,000.00             | 760,000.00              | 760,000.00              | 760,000.00              |
| Board Designated Reserves  | 2.103%              | 2,777,668.00           | 2,777,668.00            | 2,777,668.00           | 2,777,668.00            | 2,777,668.00            | 2,777,668.00            |
| <b>L.A.I.F. SUBTOTAL</b>   |                     | <b>\$ 4,766,818.98</b> | <b>\$ 5,266,818.98</b>  | <b>\$ 5,266,818.98</b> | <b>\$ 5,297,947.56</b>  | <b>\$ 5,297,947.56</b>  | <b>\$ 5,297,947.56</b>  |
| <b>GRAND TOTAL</b>   |                     | <b>\$ 9,847,371.08</b> | <b>\$ 10,271,488.77</b> | <b>\$ 9,954,112.44</b> | <b>\$ 10,200,932.20</b> | <b>\$ 10,632,284.21</b> | <b>\$ 10,931,199.58</b> |
| <b>GENERAL FUND</b>  |                     | <b>\$ 5,041,115.72</b> | <b>\$ 5,332,956.07</b>  | <b>\$ 5,063,931.34</b> | <b>\$ 5,060,430.20</b>  | <b>\$ 5,508,904.87</b>  | <b>\$ 5,466,542.90</b>  |
| <b>BOARD DESIGNATED RESERVES</b>                                   |                     | <b>\$ 2,777,668.00</b> | <b>\$ 2,777,668.00</b>  | <b>\$ 2,777,668.00</b> | <b>\$ 2,777,668.00</b>  | <b>\$ 2,777,668.00</b>  | <b>\$ 2,777,668.00</b>  |
| <b>WATER CONN. FEE FUNDS</b>                                       |                     | <b>\$ 1,228,658.42</b> | <b>\$ 1,360,935.76</b>  | <b>\$ 1,352,513.10</b> | <b>\$ 1,602,834.00</b>  | <b>\$ 1,585,711.34</b>  | <b>\$ 1,926,988.68</b>  |
| <b>S. C. FEE FUNDS</b>   |                     | <b>\$ 39,928.94</b>    | <b>\$ 39,928.94</b>     | <b>\$ -</b>            | <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ -</b>             |
| <b>SRF Loan Reserves</b>   |                     | <b>\$ 760,000.00</b>   | <b>\$ 760,000.00</b>    | <b>\$ 760,000.00</b>   | <b>\$ 760,000.00</b>    | <b>\$ 760,000.00</b>    | <b>\$ 760,000.00</b>    |
| <b>* TOTAL INTEREST RECORDED</b>                                   | <b>\$ 76,947.26</b> | <b>\$ 41,434.61</b>    | <b>\$ 853.06</b>        | <b>\$ 877.63</b>       | <b>\$ 32,023.02</b>     | <b>\$ 835.88</b>        | <b>\$ 923.06</b>        |

# Sunnyslope County Water District

Agenda Item: **F-4e**

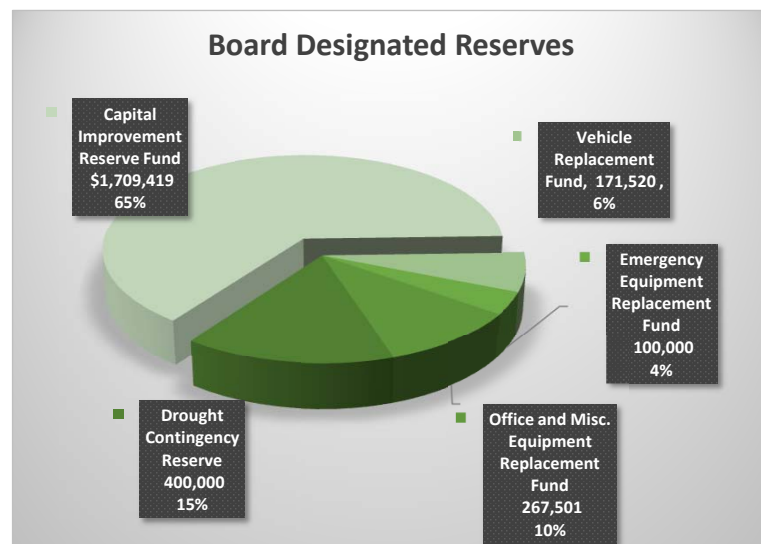
## Board Designated Reserves As of December 31, 2020 (Policy #8600)

|   | <u>12/31/2020</u>          | <u>6/30/2020</u>           | <u>Incr (Decr)</u>        | <u>% Incr (Decr)</u> | <u>6/30/2019</u>           | <u>Incr (Decr)</u>        | <u>% Incr (Decr)</u> |
|---|----------------------------|----------------------------|---------------------------|----------------------|----------------------------|---------------------------|----------------------|
| 1 Capital Improvement Reserve Fund            | \$ 1,709,419               | \$ 1,775,906               | \$ (66,487)               | -3.7%                | \$ 1,800,000               | \$ (24,094)               | -1.3%                |
| 2 Vehicle Replacement Fund                    | 171,520                    | 148,634                    | 22,886 <sup>1</sup>       | 15.4%                | 192,693                    | (44,059) <sup>1</sup>     | -22.9%               |
| 3 Emergency Equipment Replacement Fund        | 100,000                    | 100,000                    | -                         | 0.0%                 | 100,000                    | -                         | 0.0%                 |
| 4 Office and Misc. Equipment Replacement Fund | 267,501                    | 292,735                    | (25,234) <sup>2</sup>     | -8.6%                | 284,975                    | 7,760 <sup>2</sup>        | 2.7%                 |
| 5 Drought Contingency Reserve                 | <u>400,000</u>             | <u>400,000</u>             | <u>-</u>                  | <u>0.0%</u>          | <u>400,000</u>             | <u>-</u>                  | <u>0.0%</u>          |
| <b>TOTAL</b>                                  | <b><u>\$ 2,648,440</u></b> | <b><u>\$ 2,717,275</u></b> | <b><u>\$ (68,835)</u></b> | <b><u>-2.53%</u></b> | <b><u>\$ 2,777,668</u></b> | <b><u>\$ (60,393)</u></b> | <b><u>-2.17%</u></b> |

|  |                  |                    |
|--|------------------|--------------------|
| <sup>1</sup> Depr. Expense FY 20 - Acct #163.05 Vehicles | \$ -             | \$ 33,889          |
| Vehicles Purchased FY 20                                 | -                | (77,948)           |
| Depr. Expense FY 21 - Acct #163.05 Vehicles              | \$ 22,886        | -                  |
| Vehicles Purchased FY 21                                 | -                | -                  |
|  | <b>\$ 22,886</b> | <b>\$ (44,059)</b> |

|  |                    |                    |
|--|--------------------|--------------------|
| <sup>2</sup> Depr. Expense FY 20 - Acct #163.03 Shop / Field Equipment | \$ -               | \$ 13,946          |
| Equipment Purchased FY 20  | -                  | \$ (10,555)        |
| Depr. Expense FY 20 - Acct #163.04 Office Furn. / Equip.               | -                  | 4,369              |
| Depr. Expense FY 21 - Acct #163.03 Shop / Field Equipment              | \$ 7,392           | -                  |
| Depr. Expense FY 21 - Acct #163.04 Office Furn. / Equip.               | 1,180              | -                  |
| Server Room Improvement - (Approved 8/18/20)                           | \$ (18,502)        | -                  |
| Tyler System Upgrade - (Approved 8/18/20)                              | \$ (15,305)        | -                  |
|  | <b>\$ (25,234)</b> | <b>\$ 7,760</b>    |
|  | <b>\$ (2,348)</b>  | <b>\$ (36,299)</b> |

|                 |  |                            |
|-----------------|--|----------------------------|
| Acct. #         |  |                            |
| 115.11          | LAIF - Board Design. Reserves            | <u>2,648,440</u>           |
| <b>12/31/20</b> | <b>Balance Board Designated Reserves</b> | <b>\$ <u>2,648,440</u></b> |



| Capital Improvement Reserve Summary   |                            |
|---|----------------------------|
| Beginning Balance   | \$ 1,800,000               |
| <i>Well #2 Rehabilitation (Approved May 19, 2020) - Not to Exceed \$80,680</i>                            |                            |
| Maggiara Drilling Invoices through Dec 20   | (59,641)                   |
| <b>Total Well #2 Rehab</b>  | <b>(59,641)</b>            |
| <b>Project Closed December and under budget by \$ (21,039)</b>  |                            |
| <i>Lessalt Plant Modification - Sunnyslope Connection (Approved Aug. 18, 2020) Not to Exceed \$25,000</i> |                            |
| Iconix and California Pipe Fabricators  | (12,019)                   |
| Sharp Engineering   | (10,017)                   |
| <b>Total Lessalt Plant Modif.</b>   | <b>(22,036)</b>            |
| <i>Security Camera Improvement (Approved Dec. 15, 2020) Not to Exceed \$10,000</i>                        |                            |
| Electrical Work   | (1,120)                    |
| Camera's  | (7,784)                    |
|   | <b>(8,904)</b>             |
| <b>Ending Balance</b>   | <b><u>\$ 1,709,419</u></b> |

# **Staff Report**

Agenda Item: **F – 5a**

DATE: January 13, 2021 (January 19, 2021 Meeting)

TO: Board of Directors

FROM: Water/Wastewater Superintendent, Jose J. Rodriguez

SUBJECT: Superintendent Monthly Status Report: a. Maintenance, b. City Meter Reading, and c. Groundwater Level Measurement.

## **Narrative**

1. The “low flow” tracer study was completed at the Westhills Water Treatment Facility. Staff did a great job assisting Kennedy/Jenks to complete the 24 hour test. The positive staff attitude and effort were essential in the successful completion of this project on time.
2. Valve exercising and hydrants flushing program increased with 79 valves exercised and 78 hydrants flushed for the month of December. Staff has made a conscious effort to perform these preventative maintenance (PM) tasks.
3. Both Lessalt and West Hill operators have been actively working with the NextGen software to streamline Preventative Maintenance (PM) tasks. NextGen provides internal analytics which will help inform future budget planning.
4. Sunnyslope fleet vehicles now proudly displays the NEW Sunnyslope Water District emblem.
5. The two (2) crane trucks had hoists strengthened with bracket welds to the cross-member frame for additional reinforcement.

**In addition to the daily, weekly & monthly work schedule, our maintenance personnel also performed these additional special work projects.**

## **Water (2)**

1. Repaired air-vacuum relief on Sunnyslope Lane (Struck by vehicle).
2. Repaired blow-off leak at 320 Bonnie Lane.

## **LESSALT Water Treatment Plant (4)**

1. Replaced caustic Clean in Place (CIP) heater with JM Electrical.
2. Acid and caustic cleaned all Continuous Micro Filtration (CMF) units.
3. Granular Activated Carbon (GAC) exchange for filter #1.
4. Calibrated all turbidity meters.

## **West Hills Water Treatment Plant (4)**

1. Removed sludge from drying beds, RJR hauled to John Smith Landfill.
2. Completed Tracer Study with Kennedy Jenks.
3. Replaced Powder Activated Carbon Tank Total Suspended Solids (TSS) probe.

4. Started organizing inventory in shop.

## **Wastewater (6)**

1. Continued hydro flushing sewer system.
2. Replaced fuel pump on trailer mounted hydro flushing machine.
3. Pulled pump #2 at RM-II publication to remove debris and inspect.
4. Nicholson Engineering ripped pond #4 at SBR facility as a routine maintenance procedure. Pond #4 was returned to service.
5. Pruned trees and cleaned around SBR facility.
6. Both crane truck hoists were reinforced at a local welding shop.



|                         |  |
|-------------------------|--|
| <b>Project Location</b> | <b>: 320 Bonnie Lane in Ridgemark</b>  |
| <b>Project</b>          | <b>: Blow off break repair</b>   |
| <b>Department</b>       | <b>: Water/Wastewater Utilities Maintenance</b>  |
| <b>Description</b>      | <b>: On December 30, 2020, On-call staff responded to an emergency water break. Maintenance staff identified and repaired blow-off leak at 320 Bonnie Lane. Total down time was 5 hours.</b> |
| <b>Equipment used</b>   | <b>: Vactor truck and leak truck.</b>  |



|                         |   |
|-------------------------|---|
| <b>Project Location</b> | <b>: Sunnyslope Lane</b>  |
| <b>Project</b>          | <b>: Repaired air-vacuum relief.</b>  |
| <b>Department</b>       | <b>: Water/Wastewater Utilities Maintenance</b>   |
| <b>Description</b>      | <b>: Unknown vehicle hit air-vacuum relief standpipe. Sunnyslope staff replumbed, installed a new curb stop and formed new pad with protective cover.</b> |
| <b>Equipment used</b>   | <b>: General hand tools</b>   |





|                         |  |
|-------------------------|--|
| <b>Project Location</b> | <b>: Lessalt WTP</b>   |
| <b>Project</b>          | <b>: Replaced caustic Clean in Place (CIP) heater</b>  |
| <b>Department</b>       | <b>: Lessalt Water Treatment Facility</b>  |
| <b>Description</b>      | <b>: Caustic is required to be maintained at appropriate temperature while Clean-In-Place (CIP) is being performed. Tank heater failed, unit was replaced by staff and contractor.</b> |

| Completed This Month | Job Descriptions  | Completed YTD 2020 – 2021 July 1 to June 30 | Completed 2019 – 2020 July 1 to June 30 | Completed 2018 – 2019 July 1 to June 30 | Completed 2017 – 2018 July 1 to June 30 |
|----------------------|---|---|---|---|---|
| 206                  | Work Orders   | 1331  | 2715                                    | 2642                                    | 2826                                    |
| 28                   | Temporary Manual Read Water Meters Installed in New Construction Accounts   | 124   | 256                                     | 146                                     | 229                                     |
| 0                    | Radio Read Meters & ERTs Installed in New Construction Accounts   | 0   | 0                                       | 1                                       | 2                                       |
| 10                   | Total:<br>Manual Read Meters Replaced with Radio Read Meters & ERT's, including Radio Meters Installed in New Construction Accounts | 123<br>(Total = 6445)                       | 191                                     | 246                                     | 176                                     |
| 42                   | Existing Radio Read Meters & ERTs Replaced with New Radio Read Meters & ERTs  | 140   | 304                                     | 350                                     | 370                                     |
| 79                   | Valves Exercised<br>(Approx. 2750 in SSCWD System 1/2016)   | 240   | 319                                     | 410                                     | 269                                     |
| 78                   | Fire Hydrants Flushed<br>(Approx. 811 in SSCWD System 8/2016)   | 385   | 281                                     | 757                                     | 509                                     |
| 42                   | Meters on Repair List   | 142   | 449                                     | 1147                                    | 1035                                    |
| 19                   | Emergency Calls   | 83  | 156                                     | 204                                     | 225                                     |
| 160                  | Locates on our Water/Sewer Lines  | 821   | 1037                                    | 454                                     | 427                                     |
| 0                    | Sewer Inspections   | 0   | 0                                       | 2                                       | 2                                       |
| 0                    | Shutoff Notices   | 0   | 112                                     | 182                                     | 180                                     |
| 0                    | Water Services Replaced   | 8<br>(Total = 891)                          | 15                                      | 18                                      | 19                                      |

(8/2016 Update Valve and Fire Hydrant Count, Includes Santana Ranch pH 1, Villages, Tyler Knoll, Walnut Park, Creekside)



## Hollister/Sunnyslope Intertie Water Balance

| Report Date: January 1, 2021                                   |   | to                  |                           | December 15, 2020                  |                    |
|--|---|---------------------|---------------------------|------------------------------------|--------------------|
| Current Consumption Period: November 16, 2020                  |   |                     |                           |                                    |                    |
| Intertie Location  | Groundwater Flow to COH   | Surface Flow to COH | Groundwater Flow to SSCWD | Surface Flow to SSCWD              | to                 |
|  | i n G a l l o n s   |                     |                           |                                    |                    |
| Southside Road Intertie Water Total Flow                       | 0   | 292,946             |                           |                                    |                    |
| Sunset & Memorial Water Total Flow                             | 2,329,400   | 3,469,200           | 0                         |                                    | 0                  |
| Sunnyslope & Memorial Water Total Flow                         | 1,441,300   | 2,396,900           | 0                         |                                    | 0                  |
| Hillcrest and Memorial Water Total Flow                        | 189,800   | 309,100             | 216,500                   |                                    | 358,600            |
| Santa Ana & La Baig Water Total Flow                           | 330,400   | 951,500             |                           |                                    |                    |
| <b>Intertie Sub-Total Water Flow</b>                           | <b>4,290,900</b>  | <b>7,419,646</b>    | <b>216,500</b>            |                                    | <b>358,600</b>     |
| <i>Total Combined Surface and Ground Water Intertie Flow</i>   |   | <b>11,710,546</b>   |                           | <b>575,100</b>                     |                    |
| City of Hollister Well 2 Surface Water Total Flow (West Hills) |   |                     | 14,188,000                |                                    |                    |
| City of Hollister Well 4 Surface Water Total Flow (West Hills) |   |                     | 11,738,000                |                                    |                    |
| City of Hollister Well 5 Surface Water Total Flow (West Hills) |   |                     | 7,128,000                 |                                    |                    |
| Sunnyslope Well 2 Surface Water Total Flow (West Hills)        |   |                     |                           |                                    | 10,888,000         |
| Sunnyslope Well 11 Surface Water Total Flow (West Hills)       |   |                     |                           |                                    | 11,174,000         |
| Sunnyslope Surface Water Total Flow (LESSALT)                  |   |                     |                           |                                    | 32,731,000         |
| <b>Surface Water Flow Sub-Totals</b>                           |   |                     | <b>33,054,000</b>         |                                    | <b>54,793,000</b>  |
| <b>Ground Water and Surface Water Flow Totals</b>              | <b>4,290,900</b>  | <b>40,473,646</b>   | <b>216,500</b>            |                                    | <b>55,151,600</b>  |
| Current Period:  | COH half of Surface Water Flow to Distribution (LESSALT & WH)   |                     | 43,923,500                |                                    |                    |
|  | Net Ground/Surface Water Balance Owed to SSCWD (to COH)   | 4,074,400           | -3,808,454                |                                    |                    |
|  | Beginning Water Balance Owed to SSCWD (to COH)  | 605,861,835         | -397,071,839              |                                    |                    |
|  | Gallons Billed to COH thru Report Date December 1, 2020   | 0                   |                           | Informational Last Month Net Total | 208,789,996        |
|  | Sub-total Ending Water Balance Owed to SSCWD (to COH)   | 609,936,235         | -400,880,293              | Net Sub Total                      | 209,055,942        |
|  | Half of Total Gallons LESSALT Discharge to City of Hollister Wastewater Treatment Plant during the current consumption period |                     | 1,468,000                 |                                    |                    |
|  | Exchange Factor; Half of the total gallons discharged to COH WWTP from LESSALT multiplied by a factor of 4                    |                     |                           |                                    | 5,872,000.00       |
|  | <b>Ending Water Balance Owed to SSCWD (to COH)</b>  | <b>604,064,235</b>  | <b>-400,880,293</b>       | <b>Net Total</b>                   | <b>203,183,942</b> |

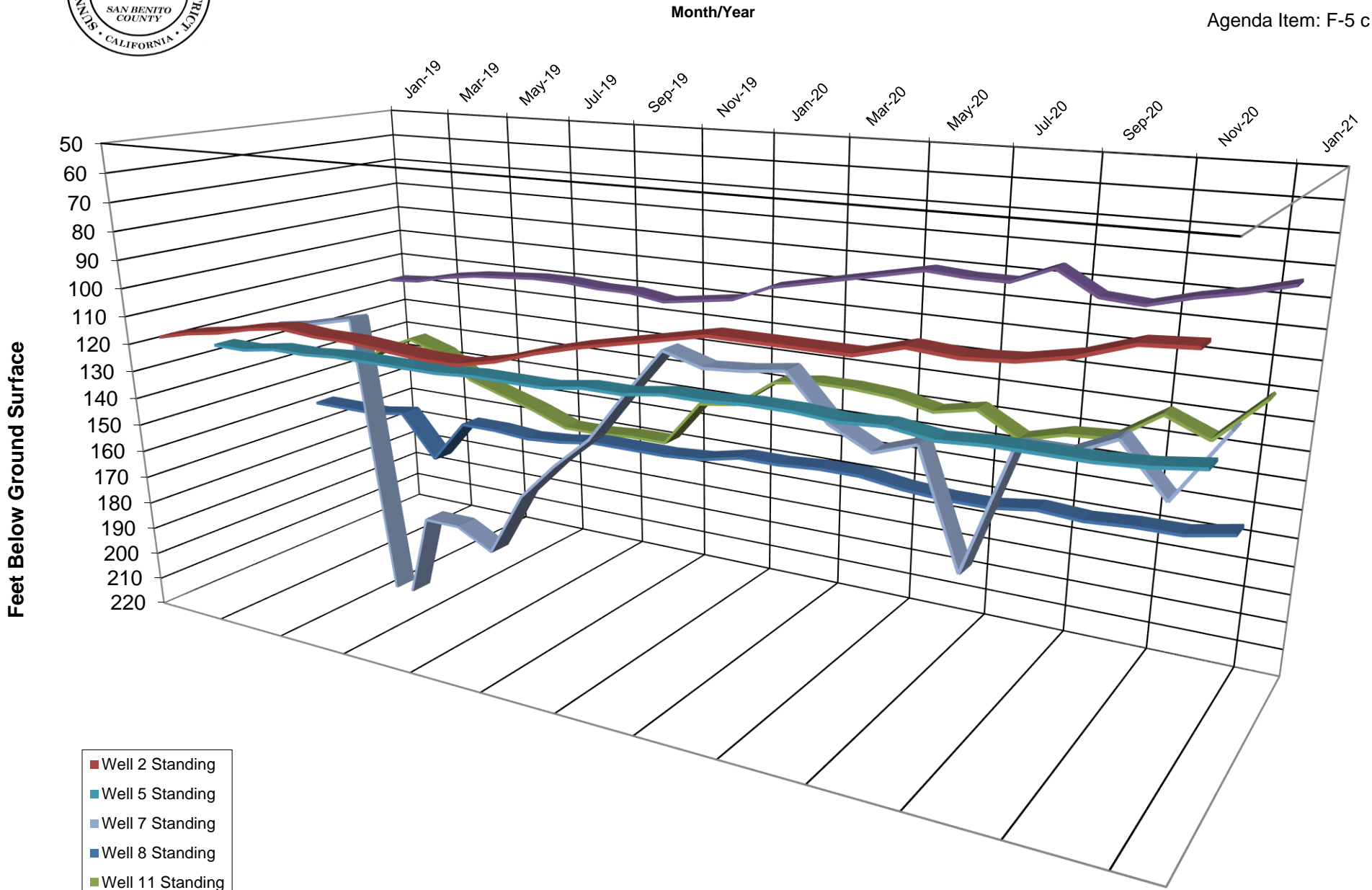
|          |   |            |              |              |              |
|----------|---|------------|--------------|--------------|--------------|
| Current: | LESSALT WTP Total Flow to Distribution                | 32,731,000 |              |              |              |
|          | Percent of LESSALT Surface Water Received             | <b>COH</b> | <b>21.6%</b> | <b>SSCWD</b> | <b>78.4%</b> |
| Current: | COH half of LESSALT Total Flow to Distribution        | 16,365,500 |              |              |              |
|          | Intertie Net Surface Water Total Flow to COH          | 7,061,046  |              |              |              |
|          | Intertie Net Ground Water Total Flow to COH           | 4,074,400  |              |              |              |
| Current: | West Hills WTP Total Flow to Distribution             | 55,116,000 |              |              |              |
|          | Percent of Surface Water Received                     | <b>COH</b> | <b>60.0%</b> | <b>SSCWD</b> | <b>40.0%</b> |
| Current: | COH half of West Hills WTP Total Flow to Distribution | 27,558,000 |              |              |              |
|          | West Hills WTP Surface Water Total Flow to COH        | 33,054,000 |              |              |              |

| From February 14, 2019 to Present |   |               |                    |              |                    |
|-----------------------------------|---|---------------|--------------------|--------------|--------------------|
| YTD                               | LESSALT WTP Total Flow to Distribution    | 370,666,000   |                    |              |                    |
|                                   | West Hills WTP Total Flow to Distribution | 723,236,000   |                    |              |                    |
|                                   | Surface WTPs Total Flow to Distribution   | 1,093,902,000 |                    |              |                    |
|                                   | Total YTD Surface Flow to COH/SSCWD       | <b>COH</b>    | <b>510,235,659</b> | <b>SSCWD</b> | <b>583,666,341</b> |
|                                   | Percent of Surface Water Received         | <b>COH</b>    | <b>46.6%</b>       | <b>SSCWD</b> | <b>53.4%</b>       |



### Depth to Standing Water Level Below Ground Surface

Agenda Item: F-5 c



- Well 2 Standing
- Well 5 Standing
- Well 7 Standing
- Well 8 Standing
- Well 11 Standing
- Test Well # 12

Ground Elevation in Feet Above Sea Level

Well 2 = 325  
Well 7 = 361

Well 5 = 438  
Well 8 = 481

Well 11 = 330  
Test Well 12 = 308

# *Staff Report*

Agenda Item: F - 6

**DATE:** January 13, 2021 (January 19, 2021 Meeting)

**TO:** Board of Directors

**FROM:** General Manager, Drew Lander

**SUBJECT:** General Manager Monthly Status Report

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## ACTIVE TASKS:

1. **Tyler Technologies Implementation** – The billing software conversion is underway.
2. **SCADA** – The contractor hired to implement the SCADA server transfer has been delayed slightly due to COVID protocols however the conversion is nearly completed. The new SCADA server will be our primary server very soon.
3. **Office Update** – Additional instances of COVID related sicknesses have occurred among staff and their extended family throughout the holiday season. No office transmission of COVID has occurred between District office staff or among operators. The County Health and Human Services Agency published the COVID-19 Vaccine Schedule identifying water and wastewater services as a Phase-1C tier. This plan does not appear to be fully informed on our operations. Communication with the Agency are ongoing to advance the priority of all staff to a Phase-1B within the County plan. The District office has remained closed to the public this month due to the increase in COVID cases in the community.
4. **Office Technology and Public Access** – Some minor corrections to the billing platform delayed the presentation of the website until January 11<sup>th</sup>. The website was complete and ready; however management chose not to open the website up to the public until the billing portal was corrected. It is expected that our customers will begin to use the portal as soon as the District newsletter is received by the public.
5. **District Website** – The new District website is [www.sunnysloewater.org](http://www.sunnysloewater.org) . This new website location will replace the old site. All traffic to the previous website has been resolved to this new address. All staff email addresses will also be upgraded to the sunnysloewater.org address.

6. **District Newsletter** – The District newsletter was printed and mailed to all District water accounts on January 11<sup>th</sup>.
  
7. **Interagency Coordination** – The City, County and our partner water agencies have several studies and projects underway. The District is a stakeholder and technical resource in the following efforts being driven by our partner agencies:
  - a. Hollister Urban Area Water Management Plan
  - b. California Department of Water Resources - Landscape Area Measurement Report
  - c. Multi-Jurisdictional Hazards Mitigation Plan
  - d. City of Hollister General Plan Update
  - e. City of Hollister Storm Water Resource Plan

# *Staff Report*

Agenda Item: G – 1

**DATE:** January 13, 2021 (January 19, 2021 Meeting)

**TO:** Board of Directors

**FROM:** General Manager, Drew Lander

**SUBJECT:** Approve the Capital Expenditure and Authorize the General Manager to purchase 704 Replacement Water Meters for a Total Cost not to Exceed \$203,000. (Not a project under CEQA per Article 20, Section 15378)

## **BACKGROUND:**

The District continues to replace water meters that are reaching the end of their service life and set new 1" water meters within new development projects. Due to extended lead times associated with COVID-19 inventories, meter manufacturers require purchase requests be placed as early as possible. This request is coming to the Board earlier than in prior years so that we may place orders at this time with expectation to take meter delivery in June or July of 2021. This request to replace inventory of meters is consistent with prior years, and last year's purchase quantity of meters kept pace with installation. Staff is requesting authority to purchase 400 – 5/8"x3/4" meters, 300 – 1" meters, and 4 – 2" meters.

The purchase of the meters is anticipated in the capital budget and will be included in the FY2021-2022 budget planning if the purchase is not completed until July. Meters set for new development will be offset by meter set fees and staff anticipates 150 new meter sets this year.

## **FINANCIAL IMPACT:**

Meter purchase is a Capital expenditure. The fiscal impact of purchasing 704 water meters of various sizes is approximately \$203,000. This is a 2% decrease in cost from last year. Approximately \$100,000 of this cost will be recovered from the fees charged to new development projects requesting new water meters to be set. The balance of the Capital fund is \$1,709,415.

## **ENVIRONMENTAL IMPACT:**

The proposed action is not a project as defined by Article 20, Section 15378 of the State CEQA Guidelines and therefore CEQA is not applicable.

## **RECOMMENDATION:**

Authorize the General Manager to purchase 704 replacement water meters for a total cost not to exceed \$203,000.

# *Staff Report*

Agenda Item: G-2

**DATE:** January 13, 2021 (January 19, 2021 Meeting)

**TO:** Board of Directors

**FROM:** General Manager, Drew Lander

**SUBJECT:** Discuss and Ratify Actions Proposed to be Taken by the General Manager – Staff will Begin Mailing Notification Letters to All Accounts and Property Owners of Delinquent Accounts. (Not a project under CEQA per Article 20, Section 15378)

## **BACKGROUND:**

The actions proposed by the General Manager in this report are authorized based on current District Water Code (DWC) approved by the Board. This staff report is to inform the board of the General Manager's intent to act on this code and allows the Board to discuss these actions and to provide additional direction if desired.

As of December, 2020 the District has experienced a continued non-payment of several water accounts due to the COVID-19 pandemic. California executive order: N-42-20 put into effect a moratorium on water shut offs. Presently the District holds \$210,238.54 in unpaid water charges. Approximately \$50,000 of this amount is accrued by accounts greater than 180 days delinquent.

District Water Code (DWC) provides protections for the District to recoup these unpaid charges.

- 1) DWC 3.40.260 identifies that the property owner guarantees payment of future water bills regardless of the account holder.
- 2) DWC 3.40.310 defines the authority for the District to notice, levy and record a lien for non-payment including fees for placing said lien upon the property where the water is served.
- 3) DWC 1.05.090 Defines a notice for actions taken by the District.

As defined in DWC 3.40.310 the District will take steps and arrangements to place liens on accounts over 180 days delinquent. Staff has been directed to prepare and mail out the attached letter to the account holder (if they are a tenant), and to the property owner to place them on notice of the pending lien. The account holder or property owner may bring the account current before February 16<sup>th</sup>, 2021. After that time staff will be directed to proceed with the placement of liens on all properties greater than 180 days delinquent.

As an additional step in the notification process staff will also prepare and mail out letters to all accounts with balances in excess of \$1000 to remind the property owner of their responsibility



under current District code and to notify them of the intent of the District to collect on those accounts if they extend over 180 day delinquent.

To bring these accounts current, adopted District policy has allowed staff to authorize repayment plans up to 6 months. However, the policy also allows the Finance Manager to authorize repayment plans up to 12 months in duration. Any account holder entering a payment plan and remaining in compliance with that agreement will be considered in good standing.

**FINANCIAL IMPACT:**

Acting on current district code does not financially impact the District operation. All fees associated with liens are borne by the property owners receiving the lien. Failure to collect on water delivered does financially impact the District's ability to operate. Continued non-payment puts the District operation at risk.

**ENVIRONMENTAL IMPACT:**

The proposed action is not a project as defined by Article 20, Section 15378 of the State CEQA Guidelines and therefore CEQA is not applicable.

**RECOMMENDATION:**

Move to ratify the actions to be taken by the General Manager, as explained in this staff report.

Attachments: Unpaid Balance Notification Letter

# Sunnyslope County Water District

3570 Airline Highway  
Hollister, California 95023-9702

Phone (831) 637-4670  
Fax (831) 637-1399

Customer Name  
Street Address  
City, ST ZIP Code  
January 25, 2021

**For Service To:**

Account Number: XXXXXXXX  
Service Address: Street Address  
City, ST ZIP Code

RE: Notice of Past Due Account (SSCWD 1.05.090)

Dear Property Owner/Customer:

If you are the owner of the property listed above this letter contains important information regarding water service provided at this location.

As the customer receiving water service at this location the Sunnyslope County Water District would like to thank you for being a customer and for your trust as we continue to provide you with safe, clean, reliable water/wastewater services. We understand how critical your water service is to you.

As a reminder, you have not yet paid your outstanding balance and the District has identified your account as significantly past due. If you have already contacted us to bring your account current, please accept our sincere thanks. If you have not contacted the District, then you must do so at your earliest convenience. Failure to contact the District by February 16, 2021 will result in the District taking measures to file a lien of outstanding debt against the property listed above. Per District Code 3.40.310, a lien filed for a delinquent bill is recorded as a judgement lien. This lien is binding, and if left unpaid can result in complications refinancing the property and ultimately in foreclosure of the property.

The District has waived all late fees during the COVID-19 Pandemic however it is critical that we continue to receive timely payment of water services. This letter is being provided to the water customer, in the event the account is established by a tenant, and also to the property owner because the unpaid balance affects the property holder.

Sincerely,

Drew A. Lander  
General Manager

For Service To:  
January 25, 2021  
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### Sunnyslope County Water District Code References:

#### **3.40.310 Liens for delinquent bill.**

In each case where any bill for water service remains delinquent for more than 180 days, the finance manager may prepare, execute, and record a lien on the property upon which the delinquent water service charges were incurred. The Notice of Lien recorded by the District shall state the amount of unpaid charges and any penalties assessed thereon. A property owner subject to such lien may discharge it by paying all amounts due, after which the District shall record a Release of Lien. Liens recorded under this code shall have the same force, effect, priority and duration as a judgment lien, and may be enforced at any time against the property owner by the District in the same manner as a judgment lien. If a lien property is sold, the escrow holder shall pay the lien out of escrow to the District from the property owner's proceeds, including the property lien filing fee established by Section 3.40.440.

#### **3.40.440 Property lien filing fee.**

A property lien filing fee, as established by the Board and updated from time to time by resolution, shall be charged to a customer each time the District files a lien for money due on a delinquent account for that customer.

# *Staff Report*

Agenda Item: G-3

DATE: January 13, 2021 (January 19, 2021 Meeting)

TO: Board of Directors

FROM: Finance & Human Resource Manager, Travis Foster

SUBJECT: Approve a Contract for Professional Services Extending Audit Services with McGilloway-Ray-Brown-Kaufman Accountants and Consultants (MRBK) for Three Years not to Exceed \$76,160.

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## **BACKGROUND:**

The District contracts independent auditing services with outside firms to perform annual review of all District financial procedures and policies. MRBK was contracted for a two-year engagement ending in FY19-20. After discussion with the Finance Committee in November 2020 regarding the successful performance of the audit for FY19-20 staff recommended extension of the contractual services for an additional 3 years. The Finance Committee favorably reviewed this proposal and staff is requesting MRBK be retained for audit services until 2023 as outlined in the attached proposal.

A three-year contract is advantageous at the District because cost increases are fixed providing improved annual budgeting and MRBK staff has proven to be professional and flexible during this time where the District is implementing many improvements to the financial systems and record keeping. Conversion to ADP, Watersmart®, Invoice Cloud®, and upcoming changes to utilize Tyler Technologies Incode10 will all require a background knowledge in the prior systems in the District. The process of performing a system conversion and rotating auditors in the same year would be rather troublesome. Given the quality of services performed by our current auditors, staff is requested an extension agreement from MRBK. As part of the extension process, the audit partner is rotated on the engagement to provide additional transparency. In addition, we will be prepared for an annual audit presentation that may be required to be performed by video conference in the coming year, as the 2020 audit presentation format was changed from in-person to video conference at the last minute due to COVID restrictions.

Our implementation of Tyler Technologies' Incode10, will be a milestone change in the Financial Controls of the District. We are leaving Quickbooks, which is an accounting system with minimal controls over Financial Reporting and we will be moving to a software with significantly enhanced controls.

**FINANCIAL IMPACT:**

MRBK has proposed a contract for services for three years. Costs increases are less than 4% per year over the three-year contract. A three-year contract with minimal increases improves budgeting and planning.

**ENVIRONMENTAL IMPACT:**

The proposed action is not a project as defined by Article 20, Section 15378 of the State CEQA Guidelines and therefore CEQA is not applicable.

**RECOMMENDATION:**

Authorize the General Manager to contract for professional audit services with MRBK for a three-year engagement not to exceed \$76,160.



McGilloway | Ray  
Brown | Kaufman  
ACCOUNTANTS AND CONSULTANTS

2511 Garden Road  
Suite A180  
Monterey, CA 93940  
831-373-3337  
Fax 831-373-3437

379 West Market Street  
Salinas, CA 93901  
831-424-2737  
Fax 831-424-7936

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3478 Buskirk Avenue  
Suite A1000  
Pleasant Hill, CA 94523  
831-373-3337  
Fax 831-373-3437

October 21, 2020

Sunnyslope County Water District  
Attn: Travis Foster, Finance & Human Resource Manager  
3570 Airline Hwy  
Hollister, CA 95023

### GAAP Audit Engagement Letter

To the Board of Directors,

We are pleased to confirm our understanding of the services we are to provide Sunnyslope County Water District for the years ended June 30, 2021, June 30, 2022, and June 30, 2023.

We will audit the financial statements of net position, revenues, expenses, and changes in net position, and cash flows, including the related notes to the financial statements, which collectively comprise the basic financial statements of Sunnyslope County Water District as of and for the years ended June 30, 2021, June 30, 2022, and June 30, 2023. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Sunnyslope County Water District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Sunnyslope County Water District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Changes in the Net OPEB Liability and Related Ratios
3. Schedule of OPEB Contributions
4. Schedule of the District's Proportionate Share of the Plan's (PERF C) Net Pension Liability
5. Schedule of the District's Pension Plan Contributions

Gerald Ray, CPA | Patricia Kaufman, CPA, CGMA | Jesus Montemayor, CPA | Smriti Shrestha, CPA

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Sarita Shannon, CPA | Sukhdev Singh, CPA | Whitney Ernest, CPA | Devvyn MacBeth, CPA | Laura Armbruster, CPA | Rose Maxwell, CPA

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

1. Budgetary Comparison Schedule
2. Schedule of Net Position – By Fund
3. Schedule of Revenues, Expenses, and Changes in Net Position
4. Schedule of Salaries and Benefits
5. Schedule of Operations and Maintenance Expenses

### **Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Sunnyslope County Water District's financial statements. Our report will be addressed to the Board of Directors of Sunnyslope County Water District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, with in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

### **Audit Procedures: General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and

performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

#### **Audit Procedures: Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

#### **Audit Procedures: Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Sunnyslope County Water District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

#### **Other Services**

We will also prepare the financial statements of Sunnyslope County Water District in conformity with U.S. generally accepted accounting principles based on information provided by you.

The other services are limited to the financial statement services as previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

#### **Management Responsibilities**

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material



misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparations and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to using the auditor's report, you understand that you must obtain in our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In connection with the engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

### **Hiring of Employees**

We have a significant investment in the training and development of our staff, and they are valued employees of McGilloway, Ray, Brown & Kaufman. If you should hire one of our shareholders, managers, or professional employees either during the audit or within one year after the completion of this engagement, you agree to pay a personnel placement fee of 50% of their annual salary to compensate McGilloway, Ray, Brown & Kaufman.

Management also has the responsibility to ensure that they have not caused McGilloway, Ray, Brown & Kaufman's independence to be impaired by hiring a former or current McGilloway, Ray, Brown & Kaufman shareholder, manager, or professional employee in a key position, as defined in the Code of Professional Conduct of the American Institute of Certified Public Accountants (AICPA), that could cause a violation of the AICPA Code of Professional Conduct or other applicable independence rules. Any offer of employment to members of the team prior to issuance of our report may impair our independence, and may result in our inability to complete the engagement and issue a report.

### **Engagement Administration, Fees, and Other**

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will not undertake any accounting services (including but not limited to reconciliation of accounts and preparation of requested schedules) without obtaining approval through a written change order or additional engagement letter for such additional work.

The audit documentation for this engagement is the property of McGilloway, Ray, Brown & Kaufman and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an oversight agency of its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of McGilloway, Ray, Brown & Kaufman personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties or its designee. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Our firm subscribes to the AICPA Peer Review program, mandated by the California Board of Accountancy for all California licensed firms. As part of that program this engagement could be selected for review. If selected, we will retain the strictest confidentiality rules.

Patricia M. Kaufman is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

| <b>For the Year Ended June 30,</b>            | <b>2021</b>     | <b>2022</b>     | <b>2023</b>     |
|---|-----------------|-----------------|-----------------|
| Audit and Preparation of Financial Statements | \$24,000        | \$25,200        | \$26,460        |
| New Account Structure Grouping                | 500             | -               | -               |
| <b>Total:</b>                                 | <b>\$24,500</b> | <b>\$25,200</b> | <b>\$26,460</b> |

You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. Currently, our rates range from \$100 per hour for clerical to \$300 per hour for partners. You will receive the final audited financial statements in one bound copy as well as an electronic (PDF) version. If you would like additional bound copy versions printed for you, the charge will be \$20 per copy.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. The fee estimate will be subject to adjustments based on unanticipated changes in the scope of our work and/or the incomplete and untimely receipt by us of the information on the client participation list such as:

1. Anticipated cooperation from Sunnyslope County Water District's personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement
6. Material changes in current or prior period financial reporting
7. Multiple adjustments to the financial statements

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8. Accounting assistance outside the scope of the audit (e.g., researching accounting topics, assistance with other accounting matters, etc.)

These fees shall be in addition to the above quoted fee for audit services. All billings for additional audit fees or services will be billed as these services are provided at our standard billing rate in effect at the time services are rendered.

Accounts past due over 30 days are considered delinquent and will be subject to an annual finance charge of twelve percent (12%), or a monthly rate of one percent (1%). There will be a minimum finance charge of \$1.00. Payments received on account will first be credited against any delinquency charges. Further, we will cease performing services on delinquent accounts if the account becomes 60 days or more overdue and will not be resumed until your account is paid in full. All expenses incurred to collect past due accounts, including collection fees will be added to any amount due. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

If any dispute arises among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Commercial Mediation Rules. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Commercial Arbitration Rules of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. In agreeing to arbitration, we both acknowledge that in the event of a dispute, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we accept the use of arbitration for resolution.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentation to us.

Our audit engagement ends on delivery of our audit report and prepared financial statements. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We appreciate the opportunity to be of service to Sunnyslope County Water District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



McGilloway, Ray, Brown & Kaufman

Sunnyslope County Water District  
October 21, 2020  
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**Response:**

This letter correctly sets forth the understanding of Sunnyslope County Water District.

Management Signature: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance Signature: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_