

**MINUTES**  
**Special Meeting of the Board of Directors**  
**of the**  
**SUNNYSLOPE COUNTY WATER DISTRICT**  
**February 25, 2020**

**A. CALL TO ORDER:** The meeting was called to order at 4:31 p.m. by President Parker, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

**B. ROLL CALL: Present:** President James Parker, Vice President Jerry Buzzetta, Director Mike Alcorn, and Director Judi Johnson. **Absent:** Director Ann Ross (arrived late).

**C. PUBLIC COMMENT ON CLOSED SESSION MATTERS:** Members of the public may address the Board on the item or items listed on the Closed Session agenda, with a time limit of 3 minutes per speaker. No public comment was made.

**Staff Present for Closed Session:** General Manager/Secretary Drew Lander and Attorney Michael Laredo.

Director Ross arrived at 4:38 p.m.

**D. CLOSED SESSION (PURSUANT TO Government Code Section 54956.9(b):** At 4:31 p.m., President Parker closed the meeting to the public to discuss the following:

1. **Conference with Legal Counsel** – Anticipated Litigation, Gov. Code § 54956.9(b): – One case.

President Parker reconvened the meeting to a break at 4:55 p.m. At 5:15 p.m., President Parker called the regular session to order.

**E. PLEDGE OF ALLEGIANCE:** Director Buzzetta led Directors, staff, and public in the Pledge of Allegiance.

**F. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION:** Attorney Michael Laredo reported that a report was given to the Board, but that no action was taken.

**G. APPROVAL OF AGENDA:** Upon motion made by Director Johnson, seconded by Director Ross, and carried 5-0, the amended agenda was approved as presented (Item 4 was pulled).

**H. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS:** The Board welcomed members of the public and opened the meeting to public comments regarding matters not itemized on the agenda. No public comment was made.

**Staff present for Open Session:** General Manager/Secretary Drew Lander, Attorney Michael Laredo, Water/Wastewater Superintendent Jose Rodriguez, Finance & Human Resource Manager Cathy Buck, and Associate Engineer Rob Hillebrecht.

**I. CONSENT AGENDA:**

1. Approval of Minutes – The Board reviewed the minutes for the Regular Meeting of January 21, 2020.
  
2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of January 14, 2020 through February 18, 2020, totaling \$2,022,828.76, which includes \$791,666.61 for payments to vendors and employees, \$500,000.00 transfer to LAIF, \$726,537.67 paid to the City of Hollister for collection of City sewer billings (net of our fees), and \$4,624.48 for customer refunds and checks returned. The last “ACH” # (electronic payments) was ACH #1628, the last “DD” # (direct deposit-electronic employee payments) was DD #2819, and the last check written was check #27744.

<b>Date</b>	<b>Number</b>	<b>Name</b>	<b>Amount</b>
01/15/20	ACH 1602	EFTPS	-160.66
01/16/20	ACH 1603	RETURNED ACH (ACH Ret 01-01)	-140.68
01/16/20	ACH 1604	RETURNED ACH (ACH Ret 01-02)	-149.32
01/16/20	ACH 1605	RETURNED ACH (ACH Ret 01-03)	-108.85
01/16/20	ACH 1606	RETURNED ACH (ACH Ret 01-04)	-190.49
01/16/20	ACH 1607	RETURNED CHECK (Ck Ret 01-01)	-277.09
01/17/20	ACH 1608	RETURNED ACH (ACH Ret 01-05)	-151.72
01/17/20	ACH 1609	RETURNED ACH (ACH Ret 01-06)	-173.24
01/17/20	ACH 1610	RETURNED ACH (ACH Ret 01-07)	-207.96
01/17/20	ACH 1611	RETURNED ACH (ACH Ret 01-08)	-301.08
01/17/20	ACH 1612	RETURNED ACH (ACH Ret 01-09)	-403.12
01/17/20	ACH 1613	RETURNED ACH (ACH Ret 01-10)	-160.89
01/17/20	ACH 1614	RETURNED ACH (ACH Ret 01-11)	-166.88
01/17/20	ACH 1615	RETURNED CHECK (Ck Ret 01-02)	-114.70
01/17/20	ACH 1616	RETURNED CHECK (Ck Ret 01-03)	-188.30
01/21/20	ACH 1617	Transfer to LAIF	-500,000.00
01/31/20	ACH 1618	CalPERS - Retirement	-1,036.00
01/31/20	ACH 1619	CalPERS - Retirement	-3,832.58
01/31/20	ACH 1620	CalPERS - Retirement	-24,706.79
01/31/20	ACH 1621	CalPERS - Health Insurance	-11,343.15
01/31/20	ACH 1622	EFTPS	-25,616.94
01/31/20	ACH 1623	Employment Dev. Dept. (EDD) DE88 Pmts.	-10,339.48
02/03/20	ACH 1624	Pathian Administrators (VSP)	-294.58
02/03/20	ACH 1625	North American Bancard	-1,247.94
02/03/20	ACH 1626	North American Bancard	-936.14

<b>Date</b>	<b>Number</b>	<b>Name</b>	<b>Amount</b>
02/05/20	ACH 1627	American Express	-28.80
02/14/20	ACH 1628	EFTPS	-217.22
01/15/20	DD 2791	Alcorn, Michael H.	-184.70
01/15/20	DD 2792	Buzzetta, Jerry T	-184.70
01/15/20	DD 2793	Johnson, Judi H.	-184.70
01/15/20	DD 2794	Parker, James F	-415.57
01/31/20	DD 2795	Alvarez, Abel	-5,917.34
01/31/20	DD 2796	Bernal, Melissa M	-6.48
01/31/20	DD 2797	Boltz, William K	-7,148.66
01/31/20	DD 2798	Buck, Cathy L.	-6,577.30
01/31/20	DD 2799	Burbank, Jr., Dee J.	-6,429.81
01/31/20	DD 2800	Castro, Kevin G.	-5,716.74
01/31/20	DD 2801	Chavez, Jr., Manuel T.	-8,169.66
01/31/20	DD 2802	Eclarin, Ernesto P.	-6,913.98
01/31/20	DD 2803	Hernandez, Bazilio	-5,735.46
01/31/20	DD 2804	Hillebrecht, Robert B.	-5,410.43
01/31/20	DD 2805	Lander, Drew A	-10,676.85
01/31/20	DD 2806	Malko, Kim A.	-3,870.99
01/31/20	DD 2807	Padilla, David	-5,760.05
01/31/20	DD 2808	Porteur, Carol A.	-4,632.24
01/31/20	DD 2809	Quick, Troy E.	-7,171.29
01/31/20	DD 2810	Roberts, Kelly L.	-4,978.42
01/31/20	DD 2811	Rodriguez, Jose J.	-7,717.98
01/31/20	DD 2812	Vargas Garcia, Michael J	-5,234.80
01/31/20	DD 2813	Watson, Scott A.	-7,661.70
01/31/20	DD 2814	Zavala, Anabel G.	-4,436.78
02/14/20	DD 2815	Alcorn, Michael H.	-184.70
02/14/20	DD 2816	Buzzetta, Jerry T	-323.22
02/14/20	DD 2817	Johnson, Judi H.	-320.22
02/14/20	DD 2818	Parker, James F	-277.05
02/14/20	DD 2819	Ross, Ann C.	-184.70
01/20/20	27649	GERALDINE & MAGALY DY	-48.28
01/20/20	27650	RAYMOND j & YVETTE V FIERRO	-32.22
01/20/20	27651	MARIA MADRIGAL, ELEANOR & DREW FORBES	-46.42
01/20/20	27652	MARIA & RAFAEL GARIBAY	-27.81
01/20/20	27653	POWERHOUSE REALTY	-128.00
01/20/20	27654	SANCO PIPELINES	-156.60
01/20/20	27655	Buck, Cathy L.	-108.72
01/20/20	27656	A-1 Services	-403.00
01/20/20	27657	Bianchi Kasavan & Pope, LLP	-2,201.00
01/20/20	27658	Brenntag Pacific, Inc.	-739.02
01/20/20	27659	Calcon System, Inc.	-1,427.50

<b>Date</b>	<b>Number</b>	<b>Name</b>	<b>Amount</b>
01/20/20	27660	Central Ag Supply LLC	-752.29
01/20/20	27661	City of Hollister-Finance Dept	-360,700.54
01/20/20	27662	De Lay & Laredo	-2,863.00
01/20/20	27663	EBCO Pest Control	-60.00
01/20/20	27664	Edges Electrical Group, LLC	-92.88
01/20/20	27665	Fastenal Company	-72.18
01/20/20	27666	Hach Company	-1,123.96
01/20/20	27667	Quinn Company	-523.08
01/20/20	27668	San Benito County-Tax Collector	-1,124.81
01/20/20	27669	State Water Resources Control Brd-WWOPCP	-120.00
01/20/20	27670	Toro Petroleum Corp.	-1,660.96
01/22/20	27671	Postmaster	-203.63
01/27/20	27672	American Water Works Association (AWWA)	-850.00
01/27/20	27673	Auto Tech Service Center, Inc.	-135.00
01/27/20	27674	Brenntag Pacific, Inc.	-8,622.39
01/27/20	27675	J L Wingert Co.	-81.08
01/27/20	27676	Jobs Available, Inc.	-1,208.30
01/27/20	27677	Kennedy/Jenks Consultants	-11,632.50
01/27/20	27678	Konica Minolta Premier Finance	-416.76
01/27/20	27679	Mc Master-Carr	-205.28
01/27/20	27680	New SV Media, Inc. (was So. Valley News.)	-1,020.00
01/27/20	27681	PAX Water Technologies	-1,023.32
01/27/20	27682	Pinnacle Agriculture	-944.14
01/27/20	27683	San Benito County Water District	-313,002.28
01/27/20	27684	San Benito Tire Pros & Automotive	-22.50
01/27/20	27685	USA Blue Book	-1,518.64
01/27/20	27686	Verizon Wireless	-719.14
01/27/20	27687	Wright Bros. Indust. Supply	-165.49
01/31/20	27688	Nationwide Retirements Solutions	-19,987.18
01/31/20	27689	UWUA Local 820	-700.00
01/31/20	27690	Dearborn Life Insurance Company	-352.00
01/31/20	27691	Premier Access Insurance Co.	-2,791.21
01/31/20	27692	Postmaster	-2,171.91
02/03/20	27693	JASON & NICOLE ACKMAN	-40.60
02/03/20	27694	CYNTHIA & ROBERT PEARMAN	-129.65
02/03/20	27695	ROGELIO SANCHEZ	-184.29
02/03/20	27696	Ace Hardware (Johnson Lumber Co.)	-449.59
02/03/20	27697	Brenntag Pacific, Inc.	-5,648.02
02/03/20	27698	Grainger, Inc.	-331.58
02/03/20	27699	Greenwood Chevrolet	-80.19
02/03/20	27700	Hollister Auto Parts, Inc.	-155.46
02/03/20	27701	Iconix Waterworks (US) Inc.	-1,158.30

<b>Date</b>	<b>Number</b>	<b>Name</b>	<b>Amount</b>
02/03/20	27702	Mission Uniform Service	-841.81
02/03/20	27703	North Bay Pensions, LLC	-2,000.00
02/03/20	27704	O'Reilly Auto Parts	-85.63
02/03/20	27705	Palace Business Solutions	-702.87
02/03/20	27706	Razzolink.com	-76.95
02/03/20	27707	Sage Software, Inc.	-1,218.00
02/03/20	27708	San Benito County-Environ. Health Div.	-7,615.00
02/03/20	27709	True Value Hardware	-8.72
02/05/20	27710	AT&T	-606.04
02/06/20	27711	CWEA MONTEREY BAY SECTION	-90.00
02/10/20	27712	Vargas Garcia, Michael J	-250.00
02/10/20	27713	Castro, Kevin G.	-250.00
02/10/20	27714	AT&T	-410.45
02/10/20	27715	Brenntag Pacific, Inc.	-16,342.88
02/10/20	27716	Calgon Carbon Corporation	-48,402.00
02/10/20	27717	Calif. Clean Energy LLC	-2,732.28
02/10/20	27718	CM Analytical, Inc.	-18,666.25
02/10/20	27719	Enterprise Electrical Services	-635.79
02/10/20	27720	P G & E	-16,453.73
02/10/20	27721	Postal Graphics	-714.14
02/10/20	27722	Recology San Benito County	-208.63
02/10/20	27723	San Benito County Water District	-146.50
02/10/20	27724	State Water Resources Control Brd-WWOPCP	-110.00
02/10/20	27725	Toro Petroleum Corp.	-1,396.38
02/10/20	27726	U.S. Bank Corporate Payment Systems	-2,975.41
02/10/20	27727	Wright Bros. Indust. Supply	-16.59
02/10/20	27728	KEITH & HEIDE PAYNE	-86.14
02/10/20	27729	JACQUELYN KEITH	-631.84
02/18/20	27730	HEATHER & KEVIN NORRED	-69.32
02/18/20	27731	ALFRED & SALLY SILVA	-308.99
02/18/20	27732	AT&T	-200.57
02/18/20	27733	Brenntag Pacific, Inc.	-11,902.51
02/18/20	27734	Central Ag Supply LLC	-121.48
02/18/20	27735	City of Hollister-Finance Dept	-365,837.13
02/18/20	27736	Grainger, Inc.	-47.34
02/18/20	27737	Hach Company	-2,869.91
02/18/20	27738	J L Wingert Co.	-79.04
02/18/20	27739	Shape, Inc.	-421.77
02/18/20	27740	Specialty Construction Inc.	-38,000.00
02/18/20	27741	State Water Resources Control Board-DWPF	-23,067.00
02/18/20	27742	Trans Union LLC	-87.52
02/18/20	27743	UWUA Local 820	-700.00

Date	Number	Name	Amount
02/18/20	27744	Verder, Inc.	-158.33
			<b>\$ -2,022,828.76</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. 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 Item 2-Allowance of Claims, Item 3-Associate Engineer Report, and Item 5-Superintendent Reports pulled for discussion, and moved to Agenda Item L. Board and Staff Reports. Upon motion made by Director Johnson, seconded by Director Alcorn, and carried 5-0 the Consent Agenda was approved as amended.

**J. NEW BUSINESS:**

- 1. AUTHORIZE THE PURCHASE OF THE OFFICE BUILDING SOLAR FACILITY AND APPROVAL OF THE ASSET PURCHASE, ASSIGNMENT, AND TRANSFER AGREEMENT (Not a project under CEQA per Article 20, Section 15378):** Associate Engineer Hillebrecht explained that Sunnyslope County Water District entered into a Solar Facility Installation and Power Purchase Agreement (PPA) with California Clean Energy, LLC in November 2010. Under this Agreement, CA Clean Energy designed, purchased, installed, and maintained the roof-mounted solar panels on the District’s Office Building. The District is required to purchase all the power produced by the panels from CA Clean Energy at annual rates established in the PPA and shown in Exhibit C. The PPA also includes a Purchase Option through which the District may acquire ownership of the solar facility for a Buy-Out price established in the agreement and shown in Exhibit D. This would terminate any further obligations of the PPA such that the District would directly receive the use of electricity produced by the solar panels. The District is beyond the end of the ninth year of the PPA, so the Buy-Out price is set at \$64,202. The Asset Purchase, Assignment, and Transfer Agreement that would implement the Purchase Option is shown in Exhibit A provided.

Exhibit B provides a cost evaluation of the Purchase Option by estimating the cost of annually purchasing the solar power from CA Clean Energy, and comparing this with

purchase price and estimated maintenance. The Expected Generation from Exhibit C was adjusted by +10% for this analysis as the past six years of operation have shown the panels consistently outperforming that Expected Generation by an average of 10%. The annual cost for the solar panel cleaning and maintenance is estimated to be \$500 per year from discussions with CA Clean Energy. Based off these assumptions, the initial expense of purchasing the solar facility would be recovered through energy cost savings by mid-2025. Direct savings of approximately \$48,500 would be received by the PPA's original termination in November 2028.

After discussion of the pro's and con's of exercising the purchase option, Director Ross moved the Board authorize the General Manager to enter into an agreement with California Clean Energy/Steamboat Post Tax One LLC, for an amount not to exceed \$65,000, to purchase the solar facility installed on the administration building at 3570 Airline Highway, seconded by Director Johnson, and carried 5-0.

2. **RECEIVE AND DISCUSS SIX-MONTH BUDGET REVIEW OF DISTRICT'S FINANCIAL RESULTS FROM JULY 1, 2019 THRU DECEMBER 31, 2019 (Not a project under CEQA per Article 20, Section 15378):** Finance & Human Resource Manager Cathy Buck prepared a narrative discussion and analysis of the District's budget to actual results through December 31, 2019, including financial schedules with line-item details of revenue and expense for the District overall, and for the Water, Wastewater, Customer Service, and General & Administrative departments. Ms. Buck said that nothing jumped out as a red-flag through the first six-months, and that our financial results are coming in close to the budget plan. She asked the Board if they had any questions. Director Buzzetta commented that he noticed that we are under budget in the General & Administrative department by \$4,900 for professional development. General Manager Lander responded that he is aware, and that he has plans for more professional development in the second half of the fiscal year.

Upon motion to accept the report by Director Johnson, seconded by Director Alcorn, the motion carried 5-0.

3. **RECEIVE AND DISCUSS UPDATED EMPLOYEE HANDBOOK, WHICH INCORPORATES THE UWUA, AFL-CIO LOCAL 820 AGREEMENT DATED JUNE 18, 2019, AND INCLUDING CHANGES EFFECTIVE JULY 1, 2019 (Not a project under CEQA per Article 20, Section 15378):** Ms. Buck explained that the Board approved and authorized the District to execute the Agreement with the Utility Workers of America, AFL-CIO Local 820 on July 18, 2019. The Union Staff members ratified the Agreement on June 11, 2019.

Ms. Buck noted that when the Board approved the agreement, it was anticipated that the Personnel Handbook would be revised to be consistent with this proposed agreement in future months.

The Union Agreement has been incorporated into the Employee Handbook included with this Staff Report. The Policy & Procedure Committee met on February 4<sup>th</sup> to discuss the updated Employee Handbook, and approved bringing it to the Board for discussion.

Directors Alcorn and Ross expressed concern that they were not consulted regarding this item, since they were the District's negotiating team when the Union Agreement was developed. Director Alcorn asked if the Union had reviewed the updated document. General Manager/Secretary Lander said that he had discussed with the Union Representative, Jami Simon, and that she acknowledged the Union Agreement would take precedent. Ms. Buck also shared that she had provided a copy of the updated document to Billy Boltz, the Local Union President.

Directors Alcorn and Ross both requested that they be given a copy of the Union Agreement so they can review the Handbook against that document. Director Johnson made a motion to table acceptance of the updated Employee Handbook and bring it back to the next Regular board meeting, which was seconded by Director Alcorn, and carried 5-0.

- 4. RECEIVE, DISCUSS, AND CONSIDER ADOPTION OF PROPOSED UPDATES TO THE FOLLOWING POLICIES (Not a project under CEQA per Article 20, Section 15378):**
  - a. Policy # 8100-8130 – Purchasing Policy,
  - b. Policy # 8510-8520 – Disposal of Surplus Property or Equipment Policy, and
  - c. Policy # 8600 – Reserve Policy.

This item was pulled and will be brought back at the next Regular Board meeting.

- 5. CONSIDER AUTHORIZING BOARD MEMBERS AND GENERAL MANAGER TO ATTEND THE ASSOCIATION OF CALIFORNIA WATER AGENCIES CONFERENCE (ACWA) AND THE ACWA/JOINT POWERS INSURANCE AUTHORITY (JPIA) MEETING MAY 4 – 8, 2020 IN MONTEREY, CALIFORNIA (Not a project under CEQA per Article 20, Section 15378):**

General Manager/Secretary Lander stated that the ACWA Spring Conference is being held in Monterey from May 5<sup>th</sup> through the 8<sup>th</sup> this year. On Monday, May 4<sup>th</sup>, the ACWA/JPIA has a day of meetings and activities including a Board Meeting that our representatives attend (due to our membership in the JPIA for our Workers' Compensation insurance program). There is no fee to attend the JPIA's Board meeting. Directors Alcorn is our JPIA representative and Director Johnson is our alternate.

It was mentioned that Directors had discussed only attending one conference per year, which Director Johnson then pointed out was incorrect. She stated that the night that "rule" was passed, it was not on the Agenda, and was therefore not correctly enacted.



Director Alcorn asked that the District's conference attendance policy be brought back to a future meeting for discussion.

Director Ross made a motion that the General Manager and any Board member who wants to attend the ACWA Spring Conference in Monterey is approved to attend, which was seconded by Director Johnson, and carried 5-0.

- 6. CONSIDER DECLARING THE 1996 – FORD F350 TRUCK, 1999 – GMC 2500 TRUCK, 2009 – CHEVY HD3500 TRUCK, AND HAULMARK 32 FT UTILITY TRAILER AS SURPLUS EQUIPMENT AND AUTHROIZE THE GENERAL MANAGER TO SELL THE EQUIPMENT (Not a project under CEQA per Article 20, Section 15378):** General Manager/Secretary Lander explained that the District currently has several vehicles that no longer have operational value, and staff recommends removing these items from the vehicle inventory. Keeping under-utilized equipment continues to cost the District money in maintenance, insurance and storage. All items have been fully depreciated, and selling the proposed equipment at this time will result in the best resale value for the District.

Director Alcorn made a motion to declare the 1996 Ford F355, 1999 GMC Truck, 2009 Chevy Silverado HD3500 Truck, and the Haulmark 32 ft. Utility Trailer and contents as surplus equipment and authorize the General Manager to sell the equipment using an online public auction house. The motion was seconded by Director Johnson, and carried 5-0.

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

- 1. Governance Committee:** No meeting.
- 2. Water/Wastewater Committee:** No meeting.
- 3. Finance Committee:** No meeting.
- 4. Policy and Procedure Committee:** General Manager/Secretary Lander reported that a meeting was held on February 4<sup>th</sup>. The committee discussed policies needing revision, and these revised policy proposals will be brought to the next Regular meeting.
- 5. Personnel Committee:** No meeting.
- 6. Water Resources Association of San Benito County (WRA):** President Parker reported that a meeting was held on February 6<sup>th</sup>. Director Johnson reported on items discussed at the meeting.

## **L. BOARD and STAFF REPORTS**

1. **Directors:** No report.
2. **District Counsel:** No report.
3. **Associate Engineer:** Consent agenda item I-3, Associate Engineer Report, was moved here. Director Johnson asked Associate Engineer Hillebrecht about the additional water testing sites mentioned in his report. Mr. Hillebrecht explained that he has identified four additional sites for collecting water samples for disinfection by-products to incorporate sampling in the water entering our system from the West Hills water treatment plant through the new crosstown pipeline, which is required by the Department of Drinking Water, per permit amendment no. 9. Director Buzzetta asked Mr. Hillebrecht to explain about the GIS work he is doing on determining the water system age of various sections of the District's water distribution system. Mr. Hillebrecht explained that he has been updating the GIS records for our system so that long-term replacement plans can be determined.
4. **Finance and Human Resource Manager:** Consent agenda item I-4, Allowance of Claims, was moved here. Director Johnson asked about check no. 27667 paid to Kennedy/Jenks Consultants in the amount of \$11,632.50, and wanted to know if this was their final payment. The question was fielded by Mr. Hillebrecht who responded that it is not the final bill, since Kennedy/Jenks is still working on the "as-built" drawings required in their contract, and once those are done they will submit their final bill to us.

Last month, Director Johnson asked for a refresher on the Tranche loans we have with San Benito County Water District, and the status of each loan. Ms. Buck explained that Tranche 1 is the District's 50% share of a \$13 million loan from San Benito County Water District for 30 year term at a 4.5% interest rate for the upgrades at the Lessalt Water Treatment Plant. The upgrades took the plant from a membrane filtration only system to a dual filtration system adding a green sand filter to the process. The outstanding balance of the District's \$6.5 million share on June 30, 2020 will be \$5,680,021.

Ms. Buck explained that both the Tranche 2 and Tranche 3 Loans related to the construction of the West Hills Water Treatment Plant. San Benito County Water District initially agreed to finance \$17 million for the estimated cost of construction. Tranche 2 is the District's 50% share based on an interest rate of 4.0% and for a 20 year term. The outstanding balance of the District's \$8.5 million share on June 30, 2020 will be \$6,906,834.

The Tranche 3 loan was needed to help pay for the final projected cost of constructing the plant, which was \$7.4 million higher than the original \$17 million cost projection. The

City of Hollister and the District each agreed to pay \$1.7 million each, leaving a balance of \$4 million. San Benito County Water District outsourced the loan through a bank, and we are repaying based on a 3.45% interest rate over a 15 year term. The outstanding balance of the District's \$2 million share on June 30, 2020 will be \$1,496,819.

Director Alcorn asked about the interest rates we are paying, and whether refinancing would be an option. General Manager/Secretary Lander replied that he has already discussed a possible re-negotiation of rates with Jeff Cattaneo.

Ms. Buck reminded the Board that they must file their 2019 Form 700 by April 1, 2020.

Ms. Buck also informed the Board that she has applied for retirement, and that March 31, 2020 will be her last day at the District, officially retiring on April 1, 2020.

5. **Water/Wastewater Superintendent:** Consent agenda item I-5, Monthly Maintenance Staff Report, was moved here. Director Johnson asked about the West Hills Water Treatment Plant maintenance item starting work to repair chemical sump pump discharge line. Water/Wastewater Superintendent Jose Rodriguez responded that they had to dig 5-6 feet down and found that the coupling had come apart. To repair the line they opted to install a compression fitting, which should prevent future problems.

6. **General Manager:** The General Manager had no additional comments.

**M. FUTURE AGENDA ITEMS:** 1) Proposed amendments to Policy #8100-8130 Purchasing Policy, Policy #8510-8520 Disposal of Surplus Property or Equipment Policy, and Policy #8600 Reserve Policy; 2) District's proposed policy to comply with SB998, Dodd, Water Shutoff Protection Act; 3) Annual water meter purchase; 4) Discussion of District Conference Attendance Policy (how many can attend per year); 5) California's drought status.

**N. ADJOURNMENT:** President Parker adjourned the meeting at 6:39 p.m.

**APPROVED BY THE BOARD:** *s/ James F. Parker*  
James F. Parker, President

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