



# Sunnyslope County Water District

## BOARD OF DIRECTORS

### REGULAR MEETING

District Office Board Room



3570 Airline Hwy., Hollister, CA

## NOTICE & AGENDA

September 21, 2021

Regular Board Meeting - 5:15PM

**Closed Session to precede the Regular Session – 4:30PM**

AS AUTHORIZED BY THE STATE OF CALIFORNIA EXECUTIVE ORDER N-29-20 PUBLIC ACCESS TO DISTRICT MEETINGS CAN BE OBTAINED THROUGH THE FOLLOWING ACCESS POINTS:

ZOOM MEETING ACCESS LINK

<https://zoom.us/j/94351443777?pwd=bjVleGdCQVhQa1dSWldhNmt4SDIUdz09>

Passcode: SSCWD

Or Telephone: Dial + 1 (669) 900-9128 and when prompted enter Meeting ID: 943 5144 3777

Passcode: 130559

Regular Board Room attendance will NOT be available to the public.

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 - ROLL CALL

President Buzzetta\_\_\_\_\_, Vice-President Parker\_\_\_\_\_

Director Brown\_\_\_\_\_, Director Alcorn\_\_\_\_\_, and Vacant \_\_\_\_\_.

- B. 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

**C. 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*

## REGULAR SESSION

**D. PLEDGE OF ALLEGIANCE**

**E. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION**

**F. APPROVAL OF AGENDA**

- G. 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.

- H. 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 requiring action shall be moved to New Business and treated as a matter of new business, or for matters needing clarification shall be moved to Staff Reports and addressed by the respective staff. 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 August 17, 2021. (Page 1)
2. Allowance of Claims for Disbursements from August 1, 2021 through August 31, 2021. (Page 6)
3. Receive Associate Engineer Monthly Status Report. (Page 9)

4. Receive Finance Manager Monthly Status Reports:
  - a) Narrative Report (Page 11)
  - b) Operation Summary (Page 14)
  - c) Investment Summary (Page 19)
  - d) Board Designated Reserves. (Page 20)
5. Receive Superintendent Monthly Status Reports:
  - a) Maintenance (Page 21)
  - b) City Meter Reading (Page 26)
  - c) Groundwater Level Measurement (Page 27).
6. Receive General Manager Monthly Status Report (Page 28).

**I. 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. Consider Identifying and Approving Board Members to Attend the Association of California Water Agencies Conference (ACWA) and the ACWA/Joint Powers Insurance Authority (JPIA) Meeting November 30 – December 2, 2021, In Person or Virtual Meeting, not to exceed \$2500 per Attendee (Not a project under CEQA per Article 20, Section 15378). (Page 30)
2. Authorize the Board President to Sign a Resolution of Recognition Honoring Judi Johnson for Excellent Service to the Community Through her Service to the Board of Sunnyslope County Water District (Not a project under CEQA per Article 20, Section 15378). (Page 34)
3. Consider Approval and Authorize the General Manager to Pay in Full the City National Bank Loan in the Amount of \$2,540,827.74 (Not a project under CEQA per Article 20, Section 15378). (Page 36)
4. Consider Approval and Authorize the President to Sign an Agreement for Water Facilities and Service for the Promontory at Ridgemark Development (Certified EIR). (Page 39)
5. Receive Applications Submitted by Constituents of the District Seeking Appointment to the Board of Directors and Direct the General Manager to invite Qualified Individuals to be Present at the October 19, 2021 Board Meeting for Interview by the Board (Not a project under CEQA per Article 20, Section 15378). (Page 58)
6. Consider and Approve a Resolution Authorizing Funding the District's California Employers' Pension Prefunding Trust (CEPPT) Section 115 Plan with a transfer from

General Reserves of \$1000K (Not a project under CEQA per Article 20, Section 15378).  
(Page 59)

## J. STATUS REPORTS

1. Governance Committee – (No meeting)
2. Water / Wastewater Committee – (No Meeting)
3. Finance Committee – (Meeting August 30, Discussion CEPPT Funding)
4. Policy and Procedure Committee – (No Meeting)
5. Personnel Committee – (Meeting Scheduled August 18<sup>th</sup>, 2021)
6. Water Resources Association of San Benito County – (Meeting Held, August 5<sup>th</sup>, 2021)

## K. BOARD and STAFF REPORTS

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

## L. FUTURE AGENDA ITEMS

1. Signature Card Update – Authorized staff and new Board members will be added to the signature card for signing checks after the full Board has been appointed.
2. Intertie report discussion and explication of use.

## M. 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** – October 19, 2021 @ 5:15 p.m., District Office

**AGENDA DEADLINE:** October 13, 2021 @ 12:00 p.m.

## Future Scheduled Committee Meetings

Governance Committee Meeting, October 6<sup>th</sup>, 5pm @ Veteran's Hall (SBCWD)

Water Resources Agency – October 7<sup>th</sup>, 2021 @ 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  
August 17, 2021

**A. CALL TO ORDER:** The meeting was called to order at 5:18 p.m. by President Buzzetta, as authorized by the State of California Executive Order N-25-20 via teleconference, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

**ROLL CALL: Present in Person:** President Jerry Buzzetta (JB), Vice President James Parker (JP), Director Alcorn (MA), Director Judi Johnson (JJ), and Director Dee Brown (DB).

**B. PLEDGE OF ALLEGIANCE:** Director Johnson led those in attendance in the Pledge of Allegiance.

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

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

**Staff Present for Open Session: In Person:** General Manager/Secretary Drew Lander, Finance and HR Manager Barry Kelly, Water/Wastewater Superintendent Jose Rodriguez, Associate Engineer Rob Hillebrecht, Executive Assistant/Stenographer Madison Koester.

**Via Teleconference:** Attorney Michael Laredo.

**E. CONSENT AGENDA:**

1. Approval of Minutes of the Regular Board Meeting of August 17, 2021.
2. Allowance of Claims for Disbursements from August 1, 2021 through August 31, 2021.
3. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of July 1, 2021 through July 31, 2021, totaling \$904,254.81 which includes \$490,645.90 for payments to vendors, \$31231 for Payroll, \$377,779.19 paid to the City of Hollister for collection of City sewer billings (net of our fees), and \$4,598.58 for customer refunds and checks returned.

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
07/14/2021	RET0105	RETURNED CHECK	-161.12
07/16/2021	RET0106	RETURNED ACH	-118.49
07/21/2021	RET0107	RETURNED ACH	-1,109.12
07/22/2021	RET0108	RETURNED ACH	-2,434.73
07/23/2021	RET0109	RETURNED ACH	-352.80
07/26/2021	RET0110	RETURNED CHECK	-147.02
07/30/2021	RET0111	RETURNED ACH	-150.00
07/02/2021	29248	ACC Business	-1,324.60
07/02/2021	29249	Ace Hardware (Johnson Lumber Co.)	-688.03

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
07/02/2021	29250	American Water Works Association (AWWA)	-2,373.00
07/02/2021	29251	AT&T	-120.46
07/02/2021	29252	Brenntag Pacific, Inc.	-19,809.52
07/02/2021	29253	Corbin Willits Systems, Inc. (MOM's)	-4,943.58
07/02/2021	29254	Central Ag Supply LLC	-985.95
07/02/2021	29255	Fastenal Company	-37.58
07/02/2021	29256	Hach Company	-1,453.24
07/02/2021	29257	Konica Minolta Premier Finance	-416.76
07/02/2021	29258	Mc Master-Carr	-498.02
07/02/2021	29259	Mission Uniform Service	-576.06
07/02/2021	29260	O'Reilly Auto Parts	-18.19
07/02/2021	29261	Petty Cash	-18.00
07/02/2021	29262	Postmaster	-55.00
07/02/2021	29263	Ranchers Feed	-234.01
07/02/2021	29264	State Water Resources Control Board-DWOCF	-60.00
07/02/2021	29265	Toro Petroleum Corp.	-1,302.90
07/02/2021	29266	True Value Hardware	-78.64
07/02/2021	29267	Verizon Wireless	-730.77
07/02/2021	29268	Padilla, David	-80.72
07/07/2021	29295	Foster, Travis J	-3,333.50
07/16/2021	29297	A-1 Services	-403.00
07/16/2021	29298	Ace Hardware (Johnson Lumber Co.)	-47.12
07/16/2021	29300	AT&T	-245.09
07/16/2021	29301	Auto Tech Service Center, Inc.	-125.00
07/16/2021	29302	Calgon Carbon Corporation	-48,402.00
07/16/2021	29303	Community Printers, Inc.	-2,729.61
07/16/2021	29304	E.H. Wachs Co.	-615.11
07/16/2021	29305	EBCO Pest Control	-69.00
07/16/2021	29306	Fastenal Company	-90.12
07/16/2021	29307	New SV Media, Inc. (was So. Valley News.)	-285.00
07/16/2021	29308	Recology San Benito County	-299.75
07/16/2021	29309	San Benito County Water District	-776.50
07/14/2021	RET0105	RETURNED CHECK	-161.12
07/16/2021	RET0106	RETURNED ACH	-118.49
07/21/2021	RET0107	RETURNED ACH	-1,109.12
07/22/2021	RET0108	RETURNED ACH	-2,434.73
07/23/2021	RET0109	RETURNED ACH	-352.80
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07/02/2021	29248	ACC Business	-1,324.60
07/02/2021	29249	Ace Hardware (Johnson Lumber Co.)	-688.03
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07/02/2021	29253	Corbin Willits Systems, Inc. (MOM's)	-4,943.58
07/02/2021	29254	Central Ag Supply LLC	-985.95
07/02/2021	29255	Fastenal Company	-37.58
07/02/2021	29256	Hach Company	-1,453.24
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07/02/2021	29258	Mc Master-Carr	-498.02
07/02/2021	29259	Mission Uniform Service	-576.06
07/02/2021	29260	O'Reilly Auto Parts	-18.19
07/02/2021	29261	Petty Cash	-18.00

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
07/02/2021	29262	Postmaster	-55.00
07/02/2021	29263	Ranchers Feed	-234.01
07/02/2021	29264	State Water Resources Control Board-DWOCF	-60.00
07/02/2021	29265	Toro Petroleum Corp.	-1,302.90
07/02/2021	29266	True Value Hardware	-78.64
07/02/2021	29267	Verizon Wireless	-730.77
07/02/2021	29268	Padilla, David	-80.72
07/07/2021	29295	Foster, Travis J	-3,333.50
07/16/2021	29297	A-1 Services	-403.00
07/16/2021	29298	Ace Hardware (Johnson Lumber Co.)	-47.12
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07/16/2021	29308	Recology San Benito County	-299.75
07/16/2021	29309	San Benito County Water District	-776.50
07/09/2021	29354	Mission Uniform Service	-277.48
07/09/2021	29355	Quinn Company	-800.67
07/09/2021	29356	Simplot Grower Solutions	-802.62
07/09/2021	29357	Star Concrete	-1,135.66
07/09/2021	29358	SUEZ WTS Analytical Instruments, Inc.	-17,939.20
07/09/2021	29359	Transene Company Inc (Shape Products)	-147.83
07/09/2021	29360	Tyler Technologies, Inc.	-585.00
07/09/2021	29361	USA Blue Book	-203.40
07/09/2021	29362	Verizon Wireless	-409.04
07/26/2021	29363	EMILY C BRINKLEY	-15.25
07/26/2021	29364	TERESA NIEVES	-18.83
07/26/2021	29365	BRUCE & TERRIE WIEGAND	-91.22
07/26/2021	29366	CalVista Insurance Agency Inc.	-87,014.00
07/26/2021	29367	Postmaster	-2,100.85
		<b>Total Disbursements</b>	<b>-904,254.81</b>

4. Receive Associate Engineer Monthly Status Report.
5. Receive Finance Manager Monthly Status Reports: a. Narrative Report, b. Operation Summary, and c. Statement of Income, d. Investment Summary, and e. Board Designated Reserves.
6. Receive Superintendent Monthly Status Reports: a. Maintenance, b. City Meter Reading, and c. Groundwater Level Measurement.
7. Receive General Manager Monthly Status Report.

President Buzzetta asked for public comment and receiving none, General Manager Lander advised all Directors that a revised claims disbursement had been provided to each Director providing the totals at the bottom of the page. President Buzzetta requested a motion to approve the consent agenda. Upon a motion made by Director Johnson to approve the Consent Agenda as amended, seconded by Director Parker, for which President Buzzetta then



took a roll call vote as follows: (MA), yes; (JP), yes; (JJ) yes; (DB), yes; and (JB) yes; the motion carried 5-0.

#### F. NEW BUSINESS:

1. **Authorize the Board President to Sign and Execute the Hollister Urban Area Water and Wastewater Master Plan Update Memorandum of Understanding (“MOU”) 2021 With the San Benito County Water District:** General Manager Lander pointed out that the MOU provided in the packet is nearly identical to the original MOU signed 5 years ago. This revision includes the addition of San Juan Bautista as a member of the governance committee, as they will now participate in the water decision making. The Governance committee members anticipated to represent the district will be Director Parker and Director Brown and this MOU is for only the water master planning portion. When complete an additional MOU will be provided to continue the process with the wastewater update planning.

Director Johnson noted that this planning is required by law. Director Alcorn noted that this MOU will cover the next 5 years of planning and cost will be recouped in water sales. Director Buzzetta asked about the timing of the wastewater component and how recycled water is treated and General Manager Lander responded that reclamation of wastewater is currently done at the city wastewater plant and the cost of reclamation at the Ridgemark plant would not be cost effective at this time.

President Buzzetta solicited public comment. No public comment was provided and upon a motion made by Director Johnson to authorize the President to sign and execute the MOU as presented, the motion was seconded by Director Brown for which President Buzzetta then took a roll call vote as follows: (MA), yes; (JP), yes; (JJ) yes; (DB), yes; and (JB) yes ; the motion carried 5-0.

2. **Accept the Letter of Resignation of Director Judi Johnson Effective August 31, 2021 and Authorize the General Manager to Fill the Vacated Position per Board Policy 7080 as Directed:** General Manager Lander shared the appreciation of the staff for the years of service Director Johnson has given the Sunnyslope County Water District. Each of the Directors took a turn sharing their appreciation for Director Johnson’s service. Director Johnson urged the Board to remain active in Region 5 of ACWA.

President Buzzetta solicited public comment. No public comment was provided and upon a motion made by Director Brown to accept as a Board the resignation of Judi Johnson and to direct the General Manger to advertise and receive applications for appointment of a replacement Director and return at the following meeting, the motion was seconded by Director Parker for which President Buzzetta then took a roll call vote as follows: (MA), yes; (JP), yes; (DB), yes; and (JB), yes ; (JJ), abstain; the motion carried 4-0-1.

#### G. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** No meeting held.
2. **Water/Wastewater Committee:** Meeting held August 17<sup>th</sup> to discuss item F-1 of the current Board packet. Also discussed were the development agreements coming to the board and the long term plan for irrigation supply piping.
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):** Meeting held August 5<sup>th</sup>, Director Johnson was in attendance and reported on the conservation planning being done by staff at this time. Next meeting October 7<sup>th</sup> @ 4PM

#### H. BOARD and STAFF REPORTS

1. **Directors:** Director Brown reported that she participated in a tour of the District provided by the Associate Engineer. Director Alcorn will be out of the state at the end of September and Director Parker volunteered to cover check signing duties.

2. **District Counsel:** No report.

3. **General Manager:** General Manager/Secretary Lander gave an update on the COVID-19 activities, reporting that the office remains closed as the variants still circulate in the community. Installation of a partition at the front desk is approximately \$11,000 and will be added to the COVID expenses. Late fees are now being assessed for accounts on in a payment arrangement.

I. **FUTURE AGENDA ITEMS:** President Buzzetta would like more information on the intertie report and how to use it.

J. **ADJOURNMENT:** President Buzzetta adjourned the meeting at 6:12 p.m.

**APPROVED BY THE BOARD:**

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

**RESPECTFULLY SUBMITTED:**

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

# Sunnyslope County Water District

## Disbursement Summary

August 1, 2021 through August 31, 2021

Date	Num	Name	Amount
08/13/21	08-01	ADP Direct Deposit	-67,436.50
08/13/21	08-01	ADP TAX	-18,846.30
08/04/21	RET 821-01	RETURNED ACH	-1,500.00
08/03/21	08-2	CALPERS PENSION	411.51
08/09/21	RET 821-02	RETURNED CHECK	-170.52
08/04/21	08-3	ADP Direct Deposit	-1892.84
08/12/21	RET 821-03	RETURNED ACH	-547.90
08/19/21	RET 821-04	RETURNED ACH	-1,671.75
08/21/21	RET 821-05	RETURNED ACH	-150.00
08/27/21	08-6	ADP Direct Deposit	-67,445.60
08/27/21	08-6	ADP TAX	-19,169.04
08/25/21	RET 821-06	RETURNED ACH	-371.00
08/25/21	RET 821-07	RETURNED CHECK	-252.40
08/28/21	RET 821-08	RETURNED ACH	-1,573.58
08/03/21	ACH08.03.21	Merchant Services	-232.97
08/05/21	ACH08.05.21	Principal	-3,351.85
08/05/21	ACH08.06.21	iCloud	-10,374.50
08/13/21	ACH08.13.21	ADP	-2,072.40
08/18/21	ACH08.18.21	P G & E	-102,283.70
08/27/21	ACH08.27.21	CalPERS - Retirement	-45,820.67
08/03/21	ACH08.3.21B	Merchant Services	-202.97
08/30/21	ACH08.30.21	CalPERS - Retirement	-161.56
08/31/21	ACH08.31.21	BASIC Benefits LLC	-1,367.53
08/18/21	ACH8.18.21A	P G & E	-26209.60
08/27/21	ACH8.27.21A	CalPERS - Retirement	-2,211.08
08/27/21	ACH8.27.21B	CalPERS - Retirement	-700.00
08/27/21	ACH8.27.21C	CalPERS - Health Insurance	-37,602.83
08/05/21	ACH8.5.21A	ADP	-7,308.20
08/06/21	29368	AT&T	-588.00
08/06/21	29369	Calcon System, Inc.	-5,195.52
08/06/21	29370	CM Analytical, Inc.	-13,880.00
08/06/21	29371	Fastenal Company	-11.46
08/06/21	29372	Hach Company	-475.65
08/06/21	29373	Iconix Waterworks (US) Inc.	-833.01
08/06/21	29374	Interstate Battery System of San Jose Inc	-228.82
08/06/21	29375	Konica Minolta Premier Finance	-455.26
08/06/21	29376	Mc Master-Carr	-498.16
08/06/21	29377	Mission Uniform Service	-298.58
08/06/21	29378	O'Reilly Auto Parts	-14.97
08/06/21	29379	Palace Business Solutions	-73.38
08/06/21	29380	Razzolink.com	-76.95
08/06/21	29381	RJR Recycling	-1250.00
08/06/21	29382	San Benito County Water District	-312303.31
08/06/21	29383	State Water Resources Control Brd-WWOPCP	-110.00
08/06/21	29384	True Value Hardware	-33.82
08/06/21	29385	Tyler Technologies, Inc.	-4550.00
08/06/21	29386	Underground Service Alert North 811	-962.21
08/06/21	29387	Brenntag Pacific, Inc.	-7955.24
08/02/21	29388	SANDRA CALLAN	-70.87
08/02/21	29389	MIKE BEATTY & DONNA HODGES	-189.32

# Sunnyslope County Water District

## Disbursement Summary

08/02/21	29390	GLORIA P JIMENEZ	-105.83
08/02/21	29391	MCELVANY INC	-441.19
08/02/21	29392	ALAN TRAVASSO	-32.10
08/13/21	29393	A-1 Services	-403.00
08/13/21	29394	Ace Hardware (Johnson Lumber Co.)	-114.33
08/13/21	29395	AT&T	-654.67
08/13/21	29396	Auto Tech Service Center, Inc.	-2090.00
08/13/21	29397	Brenntag Pacific, Inc.	-18420.24
08/13/21	29398	Brigantino Irrigation	-171.24
08/13/21	29399	City of Hollister-Finance Dept	-390952.90
08/13/21	29400	Edges Electrical Group, LLC	-22.56
08/13/21	29401	Employee Relations, Inc.	-52.19
08/13/21	29402	exceedio	-330.00
08/13/21	29403	Grainger, Inc.	-42.67
08/13/21	29404	Hach Company	-7411.78
08/13/21	29405	Iconix Waterworks (US) Inc.	-1348.90
08/13/21	29406	Mandego Apparel	-398.79
08/13/21	29407	MuniQuip, LLC	-12854.03
08/13/21	29408	Pinnacle HealthCare	-160.00
08/13/21	29409	Postal Graphics	-27.55
08/13/21	29410	Primex	-8568.00
08/13/21	29411	San Benito County Water District	-431.50
08/13/21	29412	San Benito Tire Pros & Automotive	-722.23
08/13/21	29413	Sharp Engineering and Construction, Inc.	-68396.00
08/13/21	29414	State Water Resources Control Board-DWOC	0.00
08/13/21	29415	Toro Petroleum Corp.	-3804.49
08/13/21	29416	Trans Union LLC	-196.06
08/13/21	29417	True Value Hardware	-43.83
08/13/21	29418	U.S. Bank Corporate Payment Systems	-7910.36
08/13/21	29419	Underground Service Alert North 811	-714.34
08/13/21	29420	USA Blue Book	-5363.19
08/13/21	29421	Hernandez, Bazilio	-183.32
08/18/21	29422	Tyler Technologies, Inc.	-1007.50
08/18/21	29423	Toro Petroleum Corp.	-3022.20
08/18/21	29424	Simplot Grower Solutions	-796.99
08/18/21	29425	Robert Half Finance & Accounting	-17980.00
08/18/21	29426	Recology San Benito County	-299.75
08/18/21	29427	Rain For Rent Inc	-4481.30
08/18/21	29428	Procure America	-1515.12
08/18/21	29429	O'Reilly Auto Parts	-32.10
08/18/21	29430	Nationwide Retirements Solutions	-15495.62
08/18/21	29431	Mission Uniform Service	-1152.12
08/18/21	29432	Mark Nicholson, Inc.	-12600.00
08/18/21	29433	John Smith Road Landfill	-2659.10
08/18/21	29434	John's Tree Service	-3800.00
08/18/21	29435	J L Wingert Co.	-414.89
08/18/21	29437	Inductive Automantion	-9978.11
08/18/21	29438	Hach Company	-3145.08
08/18/21	29439	Ferguson Enterprises, Inc.	-183.48
08/18/21	29440	exceedio	-3683.57
08/18/21	29441	EBCO Pest Control	-69.00
08/18/21	29442	East Bay Brass Foundry, Inc.	-6662.15
08/18/21	29443	De Lay & Laredo	-3223.50
08/18/21	29444	Central Ag Supply LLC	-671.42

# Sunnyslope County Water District

## Disbursement Summary

08/18/21	29445	Calcon System, Inc.	-8167.51
08/18/21	29446	Brenntag Pacific, Inc.	-16179.69
08/18/21	29447	B.S.K. Associates	-520.00
08/18/21	29448	Ace Hardware (Johnson Lumber Co.)	-186.42
08/18/21	29449	Abel Septic Tank Service	-16917.78
08/16/21	29450	ANDERSON HOMES	-15505.50
08/16/21	29451	K HOVNANIAN HOMES	-14704.50
08/25/21	29452	Castro, Kevin G.	-98.22
08/26/21	29453	ACC Business	-2649.20
08/26/21	29454	Ace Hardware (Johnson Lumber Co.)	-331.40
08/26/21	29455	Auto Tech Service Center, Inc.	-208.97
08/26/21	29456	Brenntag Pacific, Inc.	-5042.66
08/26/21	29457	Calgon Carbon Corporation	-48402.00
08/26/21	29458	Central Ag Supply LLC	-1155.45
08/26/21	29459	exceedio	-3213.67
08/26/21	29460	Hach Company	-629.96
08/26/21	29461	Hollister Auto Parts, Inc.	-86.05
08/26/21	29462	Iconix Waterworks (US) Inc.	-729.83
08/26/21	29463	John Smith Road Landfill	-95.10
08/26/21	29464	Konica Minolta Premier Finance	-416.76
08/26/21	29465	Kruger	-6370.51
08/26/21	29466	Maggiora Bros. Drilling, Inc.	-4012.00
08/26/21	29467	MBS Business Systems	-1185.79
08/26/21	29468	Mission Uniform Service	-277.48
08/26/21	29469	Palace Business Solutions	-50.87
08/26/21	29470	Staples Advantage	-920.02
08/26/21	29471	Star Concrete	-783.32
08/26/21	29472	State Water Resources Control Board-DWOC	-60.00
08/26/21	29473	True Value Hardware	-69.11
08/26/21	29474	Tyler Technologies, Inc.	-780.00
08/26/21	29475	Verizon Wireless	-764.83
08/31/21	29476	Hernandez, Bazilio	-150.00

**-1,546,475.20**

**SUMMARY:**

Accounts Payable Paid to:

Vendors	\$	561,167.64
Payroll - Employee		274,974.89
San Benito County		312,303.31
City of Hollister for City Billing Collected, Net of Fees		390,952.90
Customer Refunds & Returned Checks/ACH		7,076.46
<b>Total Disbursements</b>	<b>\$</b>	<b><u><u>1,546,475.20</u></u></b>

# Staff Report

Agenda Item: **H - 3**

**DATE:** September 13, 2021 (September 21, 2021 Meeting)  
**TO:** Board of Directors  
**FROM:** Associate Engineer, Rob Hillebrecht  
**SUBJECT:** Associate Engineer Monthly Status Report

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## Ignition SCADA Program Training

The Associate Engineer and Crew Chief are registered for a week-long training program with the Ignition SCADA software. This is the same software that the IWTP facility uses and Sunnyslope plans to begin transitioning all our SCADA from Wonderware to Ignition. The training will be conducted remotely with staff logging in from Sunnyslope's office to minimize travel costs.

## Industrial Wastewater Treatment Plant

Frisch Engineering has been working on creating the SCADA programming for the Industrial Wastewater Treatment Plant (IWTP) so that Sunnyslope staff can monitor and control the entire treatment process remotely. The IWTP SCADA will use Ignition software rather than Wonderware which runs the rest of the District SCADA.

## CCTV Inspection Project

Able Septic continues to hydro clean and conduct CCTV video inspections of Sunnyslope's sewer collection system in Ridgemark and Quail Hollow. They discovered a few manholes which were not on Sunnyslope's maps and are buried under backyard patios. Those manholes will be exposed and made accessible as part of the contract for sewer repairs once the whole system is videoed. In general, the sewer collection system is in good condition and does not have issues with root intrusion, broken pipes, or clogs. However, several bellies have been discovered and noted. About two thirds of the sewer collections system has been inspected to date.

## West of Fairview Phase 1B

The West of Fairview Phase 1B has begun installing the water system for the development. The Associate Engineer regularly inspects the construction and works with the contractor to address various issues which may arise. This development includes a section of the Landscape Irrigation System connecting Cerra Vista School and the West of Fairview Phase 1A landscaping to Well 5.

## Landscape Irrigation System Project

The 90% design has been submitted by Schaaf & Wheeler to the District for review and comments. Fehr Engineering came to the Well 5 site to review the existing electrical controls system and to begin laying out the electrical requirements of the new project. Sunnyslope hopes to complete design and go out to bid this fall so that construction can take place over the winter and spring. Our goal is for the landscape irrigation system to be operational by next summer.

## Development Plan Reviews

Sunnyslope has reviewed and provided comments for the first round of plan checks on the Vista del Calabria development and the second round of plan checks for the West of Fairview Phase 2 development. Staff are currently reviewing the third round of plan checks for the Promontory at Ridgemark development. For each of these, staff consider how the development fits into the overall water and wastewater systems owned by the District and how they could impact the current and future operation and service availability.

## Sunnyslope Website Training for Bethany

Bethany Clinkenbeard has started working for Sunnyslope as the Billing and Public Relations Specialist and has excelled in quickly learning our billing and office systems. She is also being trained to manage the District's website and will soon be taking over responsibility for it from the Associate Engineer. We are excited to take advantage of the expertise she brings.

## Promontory Development Agreement

Staff have devoted significant effort to writing and negotiating the development agreement for the Promontory at Ridgemark Development. There were quite a number of specific topics for this development that needed to be worked out with the developer. These are discussed further in the Staff Report relating to this board item.

## Covid-19 Arrearages Survey

Sunnyslope staff filled out and submitted a survey form created by DDW which is necessary to apply for State-approved Covid-19 relief funds for special districts. The accurate and detailed accounting of the financial impacts of Covid-19 on the District was invaluable for this survey and will hopefully assist Sunnyslope in receiving relief funding.

## Annual Water Loss Audit

Staff have begun assembling the data required for the annual water loss audit as required by the State. The State requires a third-party validation of the water loss audit and after requesting quotes from various qualified validators, the winning quote was \$600 less than last year's. Staff expect to complete the audit and validation by the end of October.

# Staff Report

Agenda Item: **H – 4a**

**DATE:** September 15, 2021 (September 21, 2021 Meeting)

**TO:** Board of Directors

**FROM:** Finance & Human Resource Manager, Barry Kelly

**SUBJECT:** Statements of: a. Operations, b. Income, c. Investment, and d. Board Designated Reserves.

## OPERATION SUMMARY

(Aug 2021)

Thus far, year over year capacity growth is down however we expect to add over 300 new customers and collect more than 4 million in fees by year end.

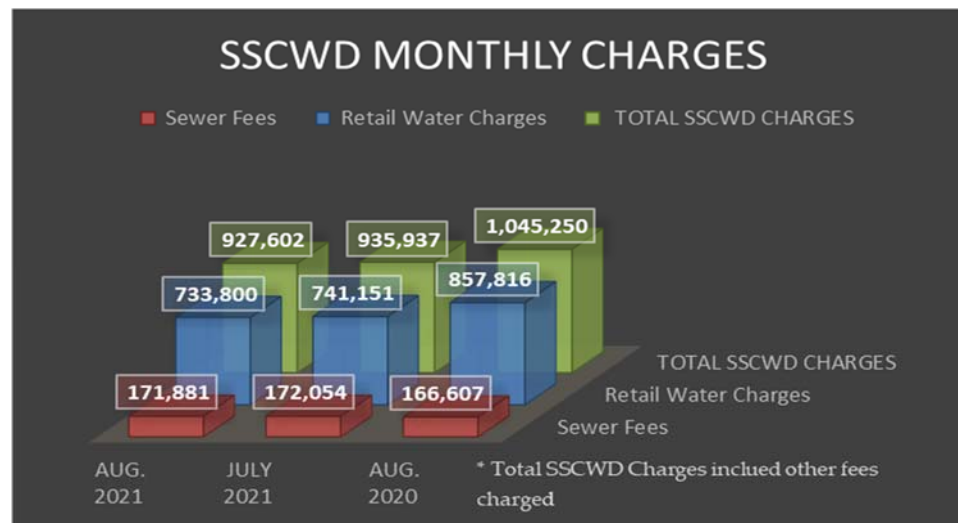
Comparison of Capacity Fees Received for the Current Month & Year to Date							
Item	AUG. 2021	JULY 2021	AUG. 2020	Increase / (Decrease) from Prior Year (PY)	YTD TOTALS Current Fiscal Year	YTD TOTALS Prior Fiscal Year	Increase / (Decrease) from Prior Year (PY)
NO. WATER CAPACITY FEE RECD	10	18	18	(8)	28	38	(10)
NO. WW CAPACITY FEE RECD	-	-	-	-	-	-	-

Online services and electronic payments are now used by a significant majority of the District's customers. The growth in Paperless E-Bill continues to rise nearly 1% month over month.



Summary of Changes in Customer Accounts						
Account Types	AUG. 2021	JULY 2021	AUG. 2020		Δ from PM ++	Δ from PY *
NO. WATER ACCOUNTS	6,843	6,852	6,481		(9)	362
NO. SSCWD SEWER ACCTS	1,234	1,238	1,236		(4)	(2)
E PAY CUSTOMERS	-	-	2,844		-	(2,844)
WATERSMART/INVOICE CLOUD	5,056	5,264				
NO. E-BILL CUST'S (Paperless)	1,231	1,172			59	1,231
Percent of Customers Gone Green	18.0%	17.1%	0.0%			

The revenue decline is in line with the change in metered water consumption YOY, from 255 to 232 million gallons YTD. This can be attributed to drought savings measures and a milder summer.



SSCWD Charges Comparison										
MONTHLY CHARGES	AUG. 2021	JULY 2021	AUG. 2020	YTD 2021	YTD 2020	Δ from PM	Δ from PY	% increase PM	% increase PY	% increase YOY
Retail Water Ch	733,800	741,151	857,816	1,474,951	1,633,591	(7,351)	(124,016)	-1.0%	-16.9%	-9.7%
Sewer Fees	171,881	172,054	166,607	343,935	332,068	(173)	5,274	-0.1%	3.1%	3.6%
Installation Fees	-	-	7,290	-	15,390	-	(7,290)			-100.0%
Late Fees	8,811	9,160	-	17,971	-	(349)	8,811	-3.8%	100.0%	
Admin. Collectio	-	-	(40)	-	550	-	40			-100.0%
COH Billing Fees	13,110	13,062	12,354	26,172	24,696	48	756	0.4%	5.8%	6.0%
Other Misc. Fee	-	510	1,223	510	2,023	(510)	(1,223)	-100.0%		-74.8%
<b>TOTAL SSCWD</b>	<b>927,602</b>	<b>935,937</b>	<b>1,045,250</b>	<b>1,863,540</b>	<b>2,008,318</b>	<b>(8,335)</b>	<b>(117,647)</b>	<b>-0.9%</b>	<b>-12.7%</b>	<b>-7.2%</b>

The percentage of past due accounts receivable through August 2021 is flat at 10.00%

## STATEMENT OF INCOME

(July 31, 2021)

For July 2021 YTD, we show an overall Net Operating gain of \$372,285 vs a budgeted operating loss of \$103,677 and Net Income of \$614,760. The favorable results can be attributed to lower Water operating expenses than budgeted and collected capacity fees of \$242,745.

## INVESTMENT SUMMARY

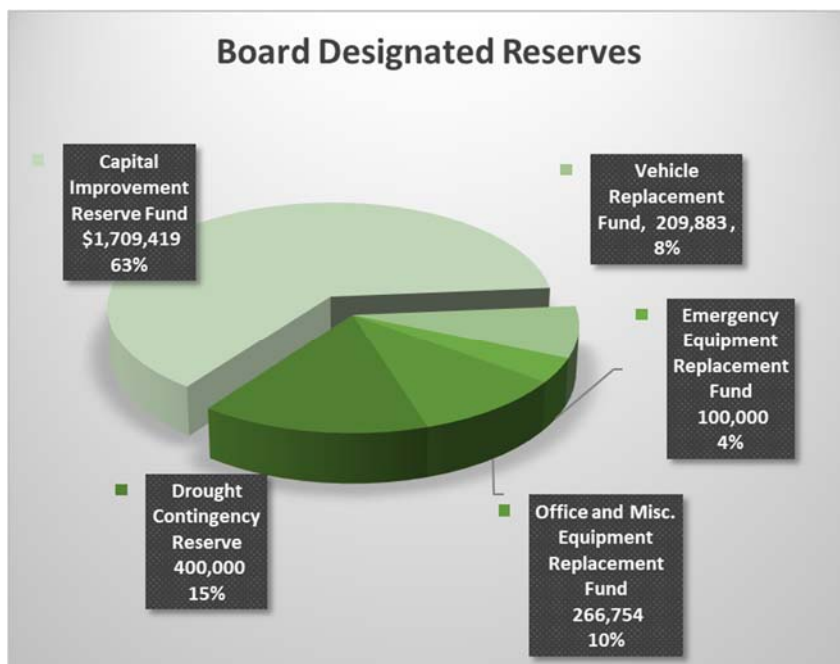
(July 31, 2021)

Total cash and invested funds as of July 31, 2021 is \$18,607,649, an increase of \$284,621 MoM. Currently approx. \$11m is invested in LAIF and a Heritage MMA account. In conjunction with planned changes to the District's investment policy we anticipate paying off over \$2,000,000 in long term debt, contributing \$1,000,000 to the Calpers retirement CEPPT trust and buying FDIC insured short term CD's. We anticipate increasing the yield on invested funds from less than .4% to over 1.5%

## BOARD DESIGNATED RESERVES

(July 31, 2021)

There are no material reserve balances changes to report on.



# Sunnyslope County Water District

2021 / 2022

## OPERATION SUMMARY (This Year)

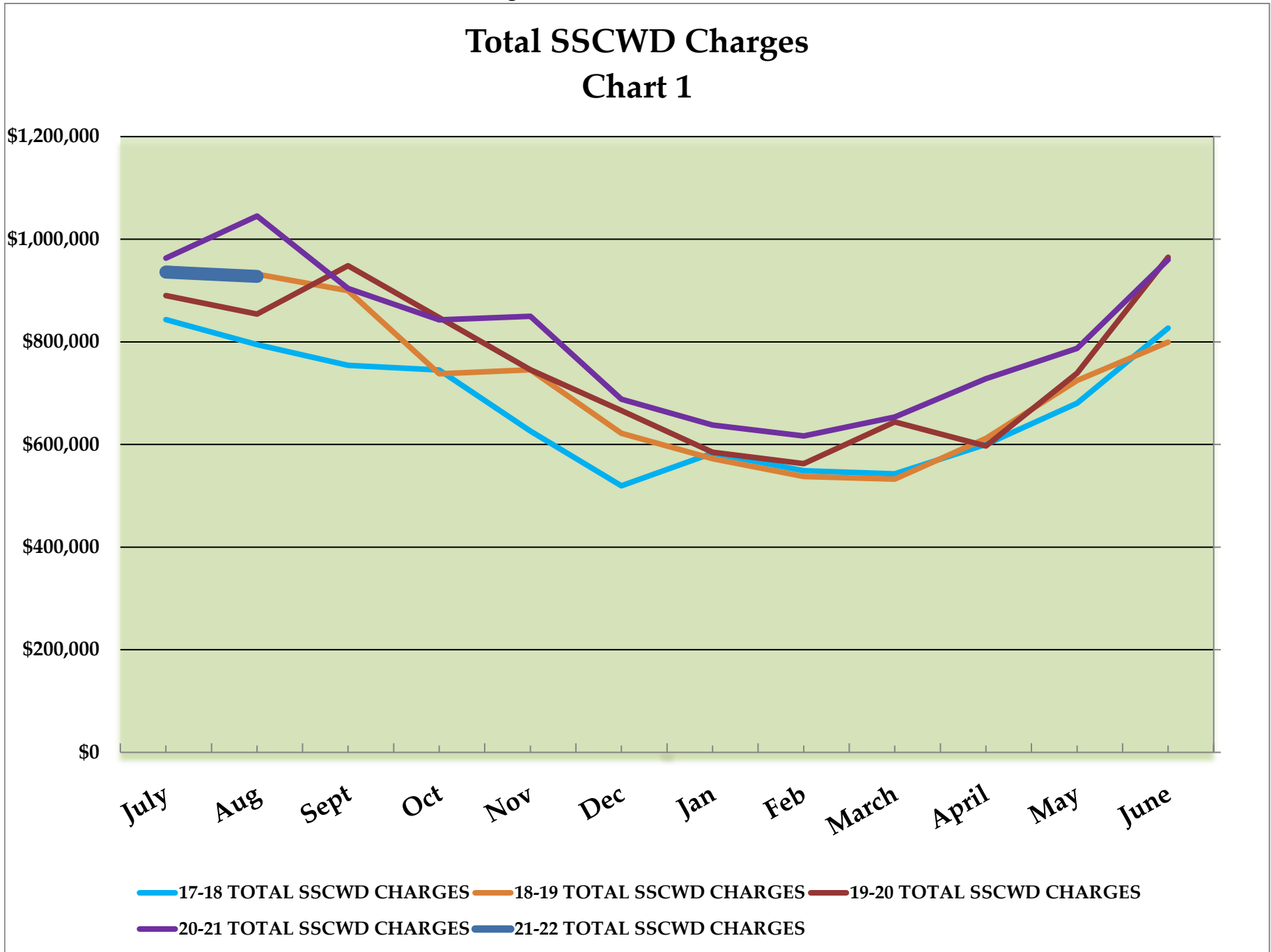
ITEMS	JULY 2021	AUG. 2021	TOTALS
NO. WATER CAPACITY FEE RECD	18	10	28
NO. WW CAPACITY FEE RECD	-	-	-
NO. WATER ACCOUNTS	6,852	6,843	
NO. SSCWD SEWER ACCTS	1,238	1,234	
NO. COH SEWER ACCTS	4,354	4,370	
NO. AUTO PAY CUSTOMERS	-	-	
NO. E-BILL CUST'S (Paperless)			
<b>WaterSmart / Invoice Cloud</b>			
Auto Pay	3,014	3,013	
Biller Portal	14	6	
Cloud Store	57		
Customer Portal	388	361	
Express Payments	317	274	
IVR	123	110	
Mobile Express Payments	366	323	
Online Bank Direct	647	631	
Pay By Text	58	44	
Scheduled Payment	25	22	
Shopping Cart	255	272	
Total	5,264	5,056	
NO. E-BILL Invoice Cloud (Paperless)	1,172	1,231	
<b><u>MONTHLY CHARGES</u></b>			
Retail Water Charges	\$ 741,150.97	\$ 733,800.24	\$ 1,474,951.21
Sewer Fees	172,054.44	171,880.99	343,935.43
Installation Fees			-
Late Fees	9,160.02	8,811.14	17,971.16
Admin. Collection Fees, net			-
COH Billing Fees	13,062.00	13,110.00	26,172.00
Other Misc. Fees	510.00		510.00
<b>TOTAL SSCWD CHARGES</b>	<b>\$ 935,937.43</b>	<b>\$ 927,602.37</b>	<b>\$ 1,863,539.80</b>
<b><u>CITY OF HOLLISTER CHARGES</u></b>			
COH Sewer Fees	393,626.99	394,897.00	\$ 788,523.99
COH Street Sweeping	10,153.36	10,582.48	20,735.84
COH Senior Discount	(1,326.60)	(1,326.60)	(2,653.20)
<b>Total COH Charges</b>	<b>402,453.75</b>	<b>404,152.88</b>	<b>806,606.63</b>
Late Fees **	-	-	-
<b>TOTAL COH CHARGES</b>	<b>\$ 402,453.75</b>	<b>\$ 404,152.88</b>	<b>\$ 806,606.63</b>
<b><u>ACCOUNTS RECEIVABLE - Aged</u></b>			
A/R for Sunnyslope Water **	\$ 969,933.44	\$ 961,519.77	
A/R for City of Hollister **	436,867.16	435,540.63	
<b>Outstanding Bills Owed</b>	<b>\$ 1,406,800.60</b>	<b>\$ 1,397,060.40</b>	
Past Due	\$ 151,515.86	\$ 150,947.42	
% Past Due	10.77%	10.80%	

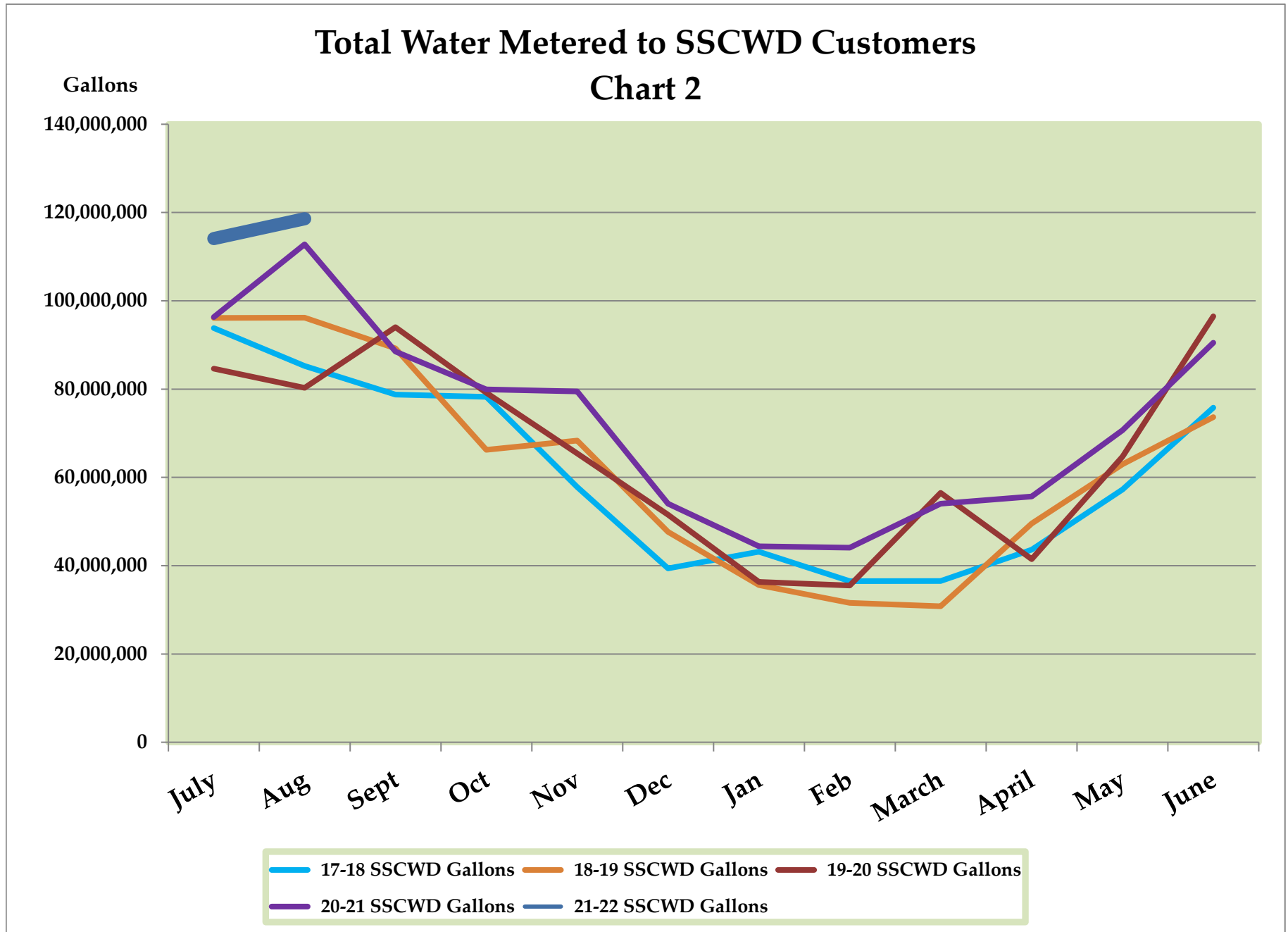
# Sunnyslope County Water District

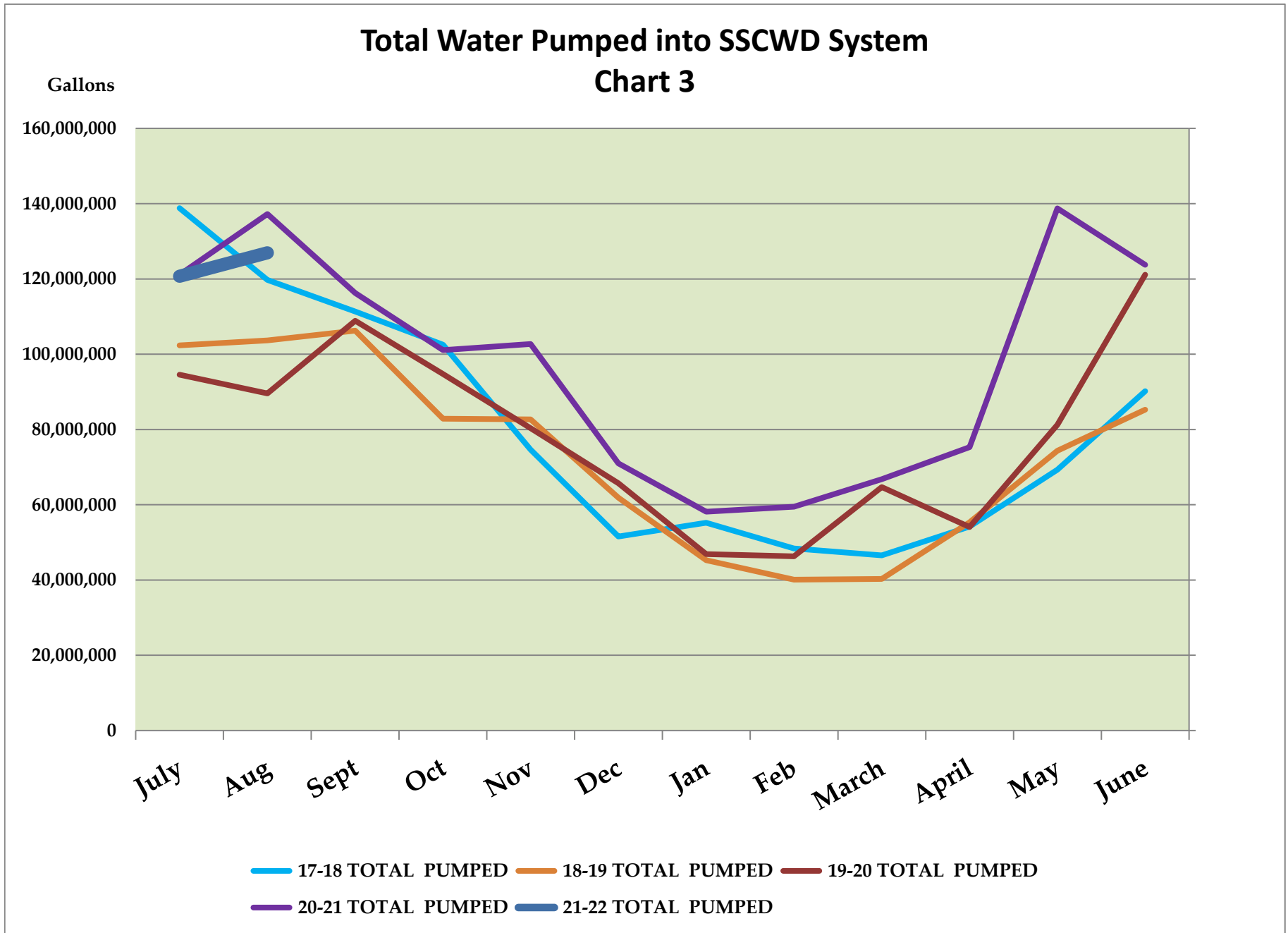
2021 / 2022

## OPERATION SUMMARY (This Year)

ITEMS	JULY 2021	AUG. 2021	TOTALS
<b><u>WATER METERED</u></b>			
Cubic Feet	11,875,200	11,828,700	23,703,900
SSCWD Gallons	88,826,496	88,478,676	177,305,172
Well Flow to COH Gallons	17,817,100	22,242,500	40,059,600
Surface Flow to COH Gallons	7,458,200	7,869,976	15,328,176
<b>TOTAL METERED</b>	<b>114,101,796</b>	<b>118,591,152</b>	<b>232,692,948</b>
<b><u>WATER SOURCE</u></b>			
Well #2 (Southside Road)	9,282,000	9,781,000	19,063,000
Well #5 (Ray Cir/Enterprise)	4,461,642	6,205,855	10,667,497
Well #7 (Enterprise Rd)	7,427,108	15,747,144	23,174,252
Well #8 (Ridgemark)	15,266,000	18,439,000	33,705,000
Well #11 (Southside Road)	30,074,000	36,752,000	66,826,000
<b>TOTAL from Wells</b>	<b>66,510,750</b>	<b>86,924,999</b>	<b>153,435,749</b>
Lessalt W.T.P. I (High Zone)	11,498,000	3,226,000	14,724,000
Lessalt W.T.P. I (Middle Zone)	6,744,000	2,168,000	8,912,000
West Hills W.T.P (@ Well #2)	14,521,000	14,294,000	28,815,000
West Hills W.T.P (@ Well #11)	20,308,000	18,071,000	38,379,000
<b>TOTAL from Surface Water</b>	<b>53,071,000</b>	<b>37,759,000</b>	<b>90,830,000</b>
City Well Flow to SSCWD Gallons	806,200	1,653,500	2,459,700
City Surface Flow to SSCWD Gallons	324,000	597,000	921,000
<b>TOTAL from City Interties</b>	<b>1,130,200</b>	<b>2,250,500</b>	<b>3,380,700</b>
<b>TOTAL PUMPED</b>	<b>120,711,950</b>	<b>126,934,499</b>	<b>247,646,449</b>
Estimated Water Loss	6,610,154	8,343,347	14,953,501
Water Loss %	5.476%	6.573%	6.038%
Estimated Water Gain	-	-	-
Water Gain %	0.000%	0.000%	0.000%
<b>Total Net Water Loss</b>			<b>14,953,501</b>







# Sunnyslope County Water District

## Investment Summary 2020 / 2021 (This Year)

BANK ACCOUNT	INTEREST RATE	JULY 2021
<b><u>Heritage Bank of Commerce</u></b>		
CHECKING ACCOUNT Operating - General Fund	0.000%	\$ 7,514,057.96
<b>CHECKING SUBTOTAL</b>		<b>\$ 7,514,057.96</b>
MONEY MARKET ACCT (MMA) Invested - General Fund	0.400%	4,067,597.25
<b>MMA SUBTOTAL</b>		<b>\$ 4,067,597.25</b>
<b><u>L. A. I. F.</u></b>		
<b><u>(Local Agency Investment Fund)</u></b>	As of: July, 2021	
General Fund	0.221%	(3,422,817.51)
Water Connect. Fee	0.221%	6,981,661.04
Sewer Connect. Fee	0.221%	21,125.00
SRF Loan Reserve	0.221%	760,000.00
Board Designated Reserves	0.221%	2,686,055.67
<b>L.A.I.F. SUBTOTAL</b>		<b>\$ 7,026,024.20</b>
<b>GRAND TOTAL</b>		<b>\$ 18,607,679.41</b>
<b>GENERAL FUND</b>		<b>\$ 8,158,837.70</b>
<b>BOARD DESIGNATED RESERVES</b>		<b>\$ 2,686,055.67</b>
<b>WATER CONN. FEE FUNDS</b>		<b>\$ 6,981,661.04</b>
<b>S. C. FEE FUNDS</b>		<b>\$ 21,125.00</b>
<b>SRF Loan Reserves</b>		<b>\$ 760,000.00</b>
<b>* TOTAL INTEREST RECORDED</b>	<b>\$ -</b>	<b>\$ -</b>



## Sunnyslope County Water District

### Board Designated Reserves

As of July 31, 2021

(Policy #8600)

	Acct. 115.11				Acct. 115.11			
	<u>7/31/2021</u>	<u>6/30/2021</u>	<u>Incr (Decr)</u>	<u>% Incr (Decr)</u>	<u>6/30/2020</u>	<u>Incr (Decr)</u>	<u>% Incr (Decr)</u>	
1 Capital Improvement Reserve Fund	\$ 1,709,419	\$ 1,709,419	\$ -	0.0%	\$ 1,775,906	\$ (66,487)	-3.7%	
2 Vehicle Replacement Fund	209,883	197,549	12,334 <sup>1</sup>	6.2%	148,634	48,916 <sup>1</sup>	32.9%	
3 Emergency Equipment Replacement Fund	100,000	100,000	-	0.0%	100,000	-	0.0%	
4 Office and Misc. Equipment Replacement Fund	266,754	266,754	0 <sup>2</sup>	0.0%	292,735	(25,981) <sup>2</sup>	-8.9%	
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>\$ 2,686,056</u></b>	<b><u>\$ 2,673,722</u></b>	<b><u>\$ 12,334</u></b>	<b><u>0.46%</u></b>	<b><u>\$ 2,717,275</u></b>	<b><u>\$ (43,553)</u></b>	<b><u>-1.60%</u></b>	

Depr. Expense FY 21 - Acct #163.05 Vehicles  
Vehicles Purchased FY 21

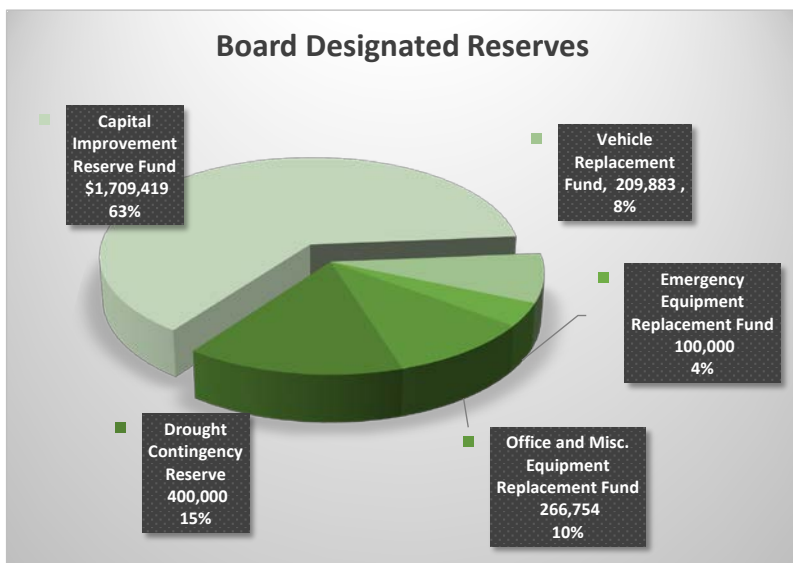
\$ 12,334	\$ 48,916
<b><u>\$ 12,334</u></b>	<b><u>\$ 48,916</u></b>

Depr. Expense FY 21 - Acct #163.03 Shop / Field Equipment  
Depr. Expense FY 21 - Acct #163.04 Office Furn. / Equip.  
Server Room Improvement - (Approved 8/18/20)  
Tyler System Upgrade - (Approved 8/18/20)

\$ 12,384	\$ 12,384
2,941	2,941
\$ (26,002)	\$ (26,002)
\$ (15,305)	\$ (15,305)
<u>\$ -</u>	<u>\$ (10,677)</u>
<b><u>\$ 12,334</u></b>	<b><u>\$ 38,239</u></b>

Acct. #	115.11 LAIF - Board Design. Reserves	2,686,056
7/31/21	<b>Balance Board Designated Reserves</b>	<b><u>\$ 2,686,056</u></b>

Capital Improvement Reserve Summary	
Beginning Balance	\$ 1,709,419
Ending Balance	<b><u>\$ 1,709,419</u></b>



# Staff Report

Agenda Item: H-5

**DATE:** September 15, 2021 (September 21, 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.

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## **Narrative**

1. All 3 water reports have been completed on time by August 10, 2021.
2. State Water Resources Control Board (SWRCB) visited both Sunnyslope Wastewater facilities for annual inspections. No deficiencies were noted.
3. Lessalt Water Treatment Facility has limited its water production. The facility only ran one day per week. All available water in being treated at the West Hills Treatment Plant. The district's wells are operating longer and keeping up with demand. All efforts are being made to conserve water.
4. The District's staff completed a service line repair and poured a new concrete sidewalk to replace the previous one that had to be removed for the initial repair.
5. Hydrants and valves were not flushed or exercised this month due primarily to the need for water conservation at this time. The goal will remain at 33% percent of the district's hydrants being flushed over the next physical year.
6. The Industrial Wastewater Treatment Facility operated in the month of August as scheduled. All samples collected as required by permit. Some mechanical equipment continues to be repaired and worked on to improve reliability. Additional work for SCADA still being performed by Frisch Engineering.

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

## Water (5)

1. Finished pouring cement sidewalk at 261 and 271 Dry Creek.
2. Replaced leaking packing on backflow device at office.
3. Replaced leaking service line at 1871 and 1941 Sunset Drive.
4. Continued testing district backflow devices.
5. Replaced leaking curb stop at 1351 Meridian Street.



<b>Project Location</b>	<b>: Sunnyslope District</b>
<b>Project</b>	<b>: Complete service line repair pouring cement sidewalk at 261 &amp; 271 Dry Creek.</b>
<b>Department</b>	<b>: Water/Wastewater Utilities Maintenance</b>
<b>Description</b>	<b>: Service line repair required staff to break concrete. Staff repaired sidewalk.</b>
<b>Equipment used</b>	<b>: Jack Hammer, cement truck rental and two highly skilled operators.</b>

## LESSALT Water Treatment Plant (4)

1. Replaced all salt bridges on Oxygen Reduction Potential (ORP) analyzers.
2. Replaced Granular Activated Carbon (GAC) in GAC filter #2.
3. Replaced leaking check valve on chlorine discharge.
4. Replaced leaking pressure relief valve on permanganate pump #1.

### **West Hills Water Treatment Plant** (7)

1. Plumbed strainer flush lines for head loss system.
2. Cleaned lamellas.
3. Repaired Sulfuric Acid pump # 2.
4. Replaced CLA-VAL transmitter at City Well #2.
5. Replaced Powder Activated Carbon (PAC) pump #2.
6. Peroxide cleaned Total Organic Carbon (TOC) analyzer.
7. Calibrated all turbidity meters with 20 NTU.

### **Wastewater** (3)

1. Pulled and cleaned debris from both pumps at RMII.
2. State Water Resources Control Board (SWRCB) visited facility for annual visit.
3. Pulled pump #2 at Paullus Lift station, debris stuck in pump.
4. Changed pump #2 impeller at RMII to higher gallon per minute impeller.

### **Industrial Wastewater Treatment Facility** (3)

1. Composite sampler pad was poured, storage shed was assembled, and new composite sampler was installed.
2. State Water Resources Control Board (SWRCB) visited facility and received a tour of new lay out
3. Required equipment calibration certification was completed upon plant production.



<b>Project Location</b>	: Industrial Wastewater Treatment Facility/ Neil Jones Food
<b>Project</b>	: Wastewater Treatment Plant start up
<b>Department</b>	: Water/Wastewater Utilities Maintenance
<b>Description</b>	: SSCWD purchased new composite sampler. Staff assembled shed to keep new sampler out of the elements and away from potential vandalism.
<b>Equipment used</b>	: Kevin Castro, Adan Cervantes, Dave Padilla, and Luis Vasquez-Herrera

Completed This Month	Job Descriptions	Completed YTD 2021 – 2022 July 1 to June 30	Completed 2020 – 2021 July 1 to June 30	Completed 2019 – 2020 July 1 to June 30	Completed 2018 – 2019 July 1 to June 30
219	Work Orders	370	2469	2715	2642
10	Temporary Manual Read Water Meters Installed in New Construction Accounts	28	368	256	146
0	Radio Read Meters & ERTs Installed in New Construction	0	21	0	1

	Accounts				
19	Total: Manual Read Meters Replaced with Radio Read Meters & ERT's, including Radio Meters Installed in New Construction Accounts	29 (Total = 6654)	282	191	246
19	Existing Radio Read Meters & ERTs Replaced with New Radio Read Meters & ERTs	39	322	304	350
23	Valves Exercised (Approx. 2674 in SSCWD System 3/2021)	32	721	319	410
0	Fire Hydrants Flushed (Approx. 938 in SSCWD System 3/2021)	2	749	281	757
19	Meters on Repair List	40	326	449	1147
16	Emergency Calls	39	174	156	204
172	Locates on our Water/Sewer Lines	349	1732	1037	454
0	Sewer Inspections	0	0	0	2
0	Shutoff Notices	0	0	112	182
2	Water Services Replaced	7 (Total = 902)	12	15	18

(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: September 1, 2021 Current Consumption Period: July 14, 2021		to August 13, 2021			
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	905,876			
Sunset & Memorial Water Total Flow	8,139,000	2,989,000	0		100
Sunnyslope & Memorial Water Total Flow	12,517,400	3,381,000	0		0
Hillcrest and Memorial Water Total Flow	389,800	117,900	1,653,500		596,900
Santa Ana & La Baig Water Total Flow	1,196,300	476,200			
<b>Intertie Sub-Total Water Flow</b>	<b>22,242,500</b>	<b>7,869,976</b>	<b>1,653,500</b>		<b>597,000</b>
<i>Total Combined Surface and Ground Water Intertie Flow</i>	<b>30,112,476</b>		<b>2,250,500</b>		
City of Hollister Well 2 Surface Water Total Flow (West Hills)		2,153,000			
City of Hollister Well 4 Surface Water Total Flow (West Hills)		17,057,000			
City of Hollister Well 5 Surface Water Total Flow (West Hills)		11,772,000			
Sunnyslope Well 2 Surface Water Total Flow (West Hills)					14,294,000
Sunnyslope Well 11 Surface Water Total Flow (West Hills)					18,071,000
Sunnyslope Surface Water Total Flow (LESSALT)					5,394,000
<b>Surface Water Flow Sub-Totals</b>		<b>30,982,000</b>			<b>37,759,000</b>
<b>Ground Water and Surface Water Flow Totals</b>	<b>22,242,500</b>	<b>38,851,976</b>	<b>1,653,500</b>		<b>38,356,000</b>
Current Period:	<i>COH half of Surface Water Flow to Distribution (LESSALT &amp; WH)</i>		<b>34,370,500</b>		
	<i>Net Ground/Surface Water Balance Owed to SSCWD (to COH)</i>		<b>20,589,000</b>	<b>3,884,476</b>	
	<i>Beginning Water Balance Owed to SSCWD (to COH)</i>		613,558,235	-400,930,855	
	<i>Gallons Billed to COH thru Report Date August 1, 2021</i>		0		Informational Last Month Net Total 212,627,380
	<b>Sub-total Ending Water Balance Owed to SSCWD (to COH)</b>		<b>634,147,235</b>	<b>-397,046,379</b>	<b>Net Sub Total 237,100,856</b>
<i>Half of Total Gallons LESSALT Discharge to City of Hollister Wastewater Treatment Plant during the current consumption period</i>				-	
<i>Exchange Factor; Half of the total gallons discharged to COH WWTP from LESSALT multiplied by a factor of 4</i>					-
<b>Ending Water Balance Owed to SSCWD (to COH)</b>		<b>634,147,235</b>	<b>-397,046,379</b>	<b>Net Total</b>	<b>237,100,856</b>

Current:	<i>LESSALT WTP Total Flow to Distribution</i>	5,394,000			
	<i>Percent of LESSALT Surface Water Received</i>	<b>COH</b>	<b>134.8%</b>	<b>SSCWD</b>	<b>-34.8%</b>
Current:	<i>COH half of LESSALT Total Flow to Distribution</i>	2,697,000			
	<i>Intertie Net Surface Water Total Flow to COH</i>	7,272,976			
	<i>Intertie Net Ground Water Total Flow to COH</i>	20,589,000			
Current:	<i>West Hills WTP Total Flow to Distribution</i>	63,347,000			
	<i>Percent of Surface Water Received</i>	<b>COH</b>	<b>48.9%</b>	<b>SSCWD</b>	<b>51.1%</b>
Current:	<i>COH half of West Hills WTP Total Flow to Distribution</i>	31,673,500			
	<i>West Hills WTP Surface Water Total Flow to COH</i>	30,982,000			

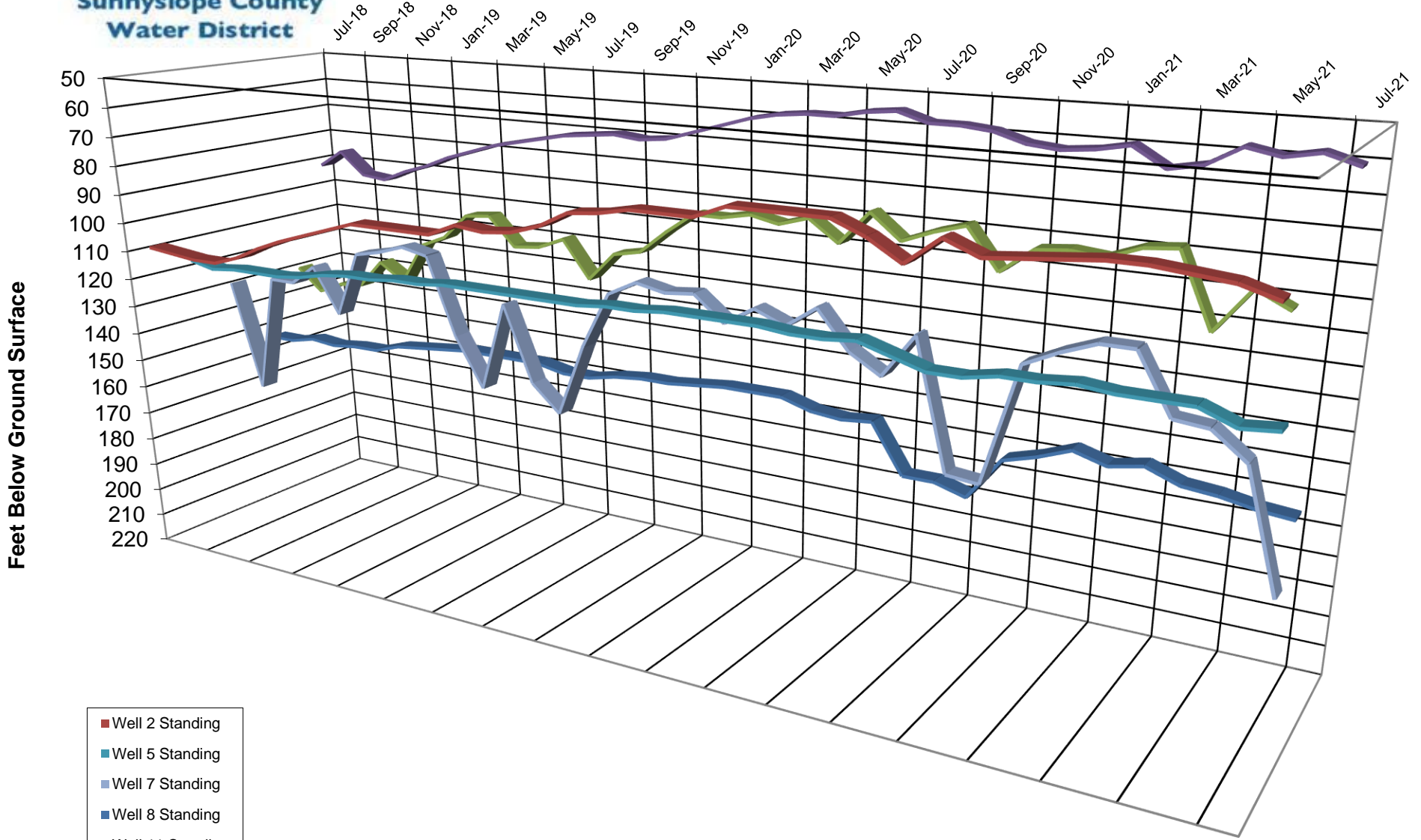
From February 12, 2021 to Present					
YTD	<i>LESSALT WTP Total Flow to Distribution</i>	128,188,000			
	<i>West Hills WTP Total Flow to Distribution</i>	352,540,000			
	<i>Surface WTPs Total Flow to Distribution</i>	480,728,000			
	<i>Total YTD Surface Flow to COH/SSCWD</i>	<b>COH</b>	<b>198,291,599</b>	<b>SSCWD</b>	<b>282,436,401</b>
	<i>Percent of Surface Water Received</i>	<b>COH</b>	<b>41.2%</b>	<b>SSCWD</b>	<b>58.8%</b>



**Sunnyslope County  
Water District**

**Depth to Standing Water Level Below Ground Surface**

Month/Year



- 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: **H – 6**

**DATE:** September 15, 2021 (September 21, 2021 Meeting)

**TO:** Board of Directors

**FROM:** General Manager, Drew Lander P.E.

**SUBJECT:** General Manager Monthly Status Report

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## ACTIVE TASKS:

- 1. Open Enrollment, Sept. 20 through Oct. 15** – Management staff have been organizing and improving the open enrollment process this month. The most significant program changes this year are inside Anthem Blue Cross. They will be combining the “Choice” and “Select” plans into one single offering. Cost for the Choice plan will come down slightly and the cost for employees who preferred the Select plan will see an increase in monthly premiums. As promised by our benefit representatives at Keenan, the costs for Dental and Vision plans remain unchanged. Building Blocks for Business will once again take care of the open enrollment process through personal appointment times.
- 2. Office Technology and Public Access** – The glass barrier to be installed at the reception desk, as described last month, is expected to be completed in October. The Tyler Incode10 financial software implementation is being postponed until January to allow recently hired staff the time needed to become proficient with office procedures and policies. Postponing the implementation was a difficult decision, however it was unavailable after losing key staff during a critical time in the implementation. Rescheduling the implementation is expected to increase costs by \$12,000 to allow for additional training. When costs are fully vetted an update will be presented to the Board.
- 3. IWTP Update** – The ponds have been successfully operated this season and the last day of wastewater flow to the ponds is expected this month. Billing to SBF for the operation this season is still pending due to internal coordination and setting up the format for these invoices. Billing will occur by the end of the month.
- 4. Drought Update** – The Lessalt Treatment plant has been isolated and temporarily shut down. The West Hills treatment plant is providing treatment for all surface water in both the City and SSCWD distribution systems. This operational change will be a normal

occurrence during years where drought conditions persist. Especially when small fractions of the allocations are available from San Luis Reservoir water.

5. **Interagency Coordination** – The San Benito County Hazard Mitigation Planning group has held two risk assessment meetings since the last Board meeting. The Water Supply Master Plan Governance committee meeting was postponed due to a timing conflict for SBCWD and will be held on October 6<sup>th</sup> at 5pm, at the Veteran’s Hall within the City of Hollister.
  
6. **Permit Compliance** – No water compliance issues were encountered this month. Surface water coming from San Justo Reservoir has continued to require significant operator oversight to monitor the lack of dissolved oxygen in the supply water. The wastewater system received a visit from the Regional Water Quality Control Board this month and no deficiencies were identified.

# Staff Report

Agenda Item: I-1

DATE: September 15, 2021 (September 21, 2021 Meeting)

TO: Board of Directors

FROM: Drew A. Lander, General Manager

SUBJECT: Consider Identifying and Approving Board Members to Attend the Association of California Water Agencies Conference (ACWA) and the ACWA/Joint Powers Insurance Authority (JPIA) Meeting November 30 – December 2, 2021, In Person or Virtual Meeting, not to exceed \$2500 per Attendee (Not a project under CEQA per Article 20, Section 15378)

## RECOMMENDATION:

Approve a motion to authorize specified Board Members to attend the Association of California Water Agencies Conference (ACWA) and the ACWA/Joint Powers Insurance Authority (JPIA) Meeting November 30 to December 2, 2021, Meeting and specify the expense authorized by each Director not to exceed.

## BACKGROUND:

With the reduction in COVID-19 restrictions the ACWA Fall Conference is being held both in person and virtually November 30 through December 2 this year. This year the ACWA/JPIA will hold meetings at the Pasadena Convention Center with activities including a Board Meeting that our representatives are encouraged to 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 however the conference costs are attached. District JPIA representatives are encouraged to attend.

Registration before November 19<sup>th</sup> for the three-day conference is \$580 per person. The cost of virtual attendance is the same as the in-person attendance however not all agenda items are available for the virtual format. The total per attendee expenditure for attending the conference in person is \$725 per person including all registration fees and meals with travel and lodging not included. Any Directors choosing to attend virtually may attend the Conference from a computer in the District office if desired.

Directors may also be interesting in the Spring ACWA Conference which is tentatively scheduled for May 3-6 in Sacramento CA. Costs for this venue are not yet available.

The Board of Directors by a majority must approve any Director's participation when representing the District in any official capacity and for them to receive expense reimbursement for any eligible expenses under District policy.

**FISCAL IMPACT:**

The fiscal impact of virtual conference attendance is estimated at \$1050.00, including full conference attendance and the Director stipend for 3 days of meeting attendance. The estimated expense of in person attendance is \$2200 per person including full conference attendance, meals, travel and lodging and the Director stipend for meeting attendance.

**ENVIRONMENTAL IMPACT:**

The proposed action is not a project as defined by the California Environmental Quality Act per Article 20, Section 15378.

**ATTACHMENTS:**

- 1) ACWA-PRICING-SHEET
- 2) ACWA-PRELIMINARY-CONFERENCE-AGENDA

Link: [2021 Fall Conference & Exhibition - Association of California Water Agencies \(acwa.com\)](https://www.acwa.com)



# ACWA 2021 Fall Conference & Exhibition

## PRELIMINARY AGENDA

November 30 – December 2, 2021 • Pasadena

★ Agenda items marked with this symbol will be accessible with the Virtual Conference Pass.

Note: Tuesday Committee meetings *will not* be available with the Virtual Conference Pass.

### ACWA JPIA - MONDAY, NOV. 29

**8:30 – 10:00 AM**

- ACWA JPIA Program Committee

**10:15 – 11:15 AM**

- ACWA JPIA Executive Committee

**1:30 – 4:00 PM**

- ACWA JPIA Board of Directors

**4:00 – 5:00 PM**

- ACWA JPIA Town Hall

**5:00 – 6:00 PM**

- ACWA JPIA Reception

### TUESDAY, NOV. 30

**8:00 AM – 9:45 AM**

- Agriculture Committee

**8:00 AM – 6:00 PM**

- Registration

**8:30 AM – Noon**

- ACWA JPIA Seminars

**10:00 – 11:45 AM**

- Groundwater Committee
- Energy Committee

**11:00 AM – Noon**

- Outreach Task Force

**Noon – 2:00 PM**

- Committee Lunch Break

**1:00 – 2:45 PM**

- Local Government Committee
- Finance Committee
- Water Management Committee

**1:00 – 3:00 PM**

- ACWA JPIA: Sexual Harassment Prevention for Board Members & Managers (AB 1825)

**3:00 – 4:45 PM**

- Communications Committee
- Federal Affairs Committee
- Membership Committee
- Water Quality Committee

**5:00 – 6:30 PM**

- Welcome Reception in the Exhibit Hall

### WEDNESDAY, DEC. 1

**7:30 AM – 5 PM**

- Registration

**8:00 – 9:45 AM**

- Opening Breakfast (*Ticket Required*) ★

**8:30 AM – 6:00 PM**

- Connect in the Exhibit Hall

**10:00 – 11:00 AM**

- Attorneys Program ★
- Energy Committee Program ★
- Finance Program ★
- Region Forum ★
- Statewide Forum ★
- Water Industry Trends Program ★

**11:00 AM – 1:00 PM**

- Connect in the Exhibit Hall
- Exhibitor Demonstrations
- Networking Lunch (*Ticket Required*)

**Noon – 1:00 PM**

- General Session/Election

**1:15 – 2:45 PM**

- Attorney Program ★
- Communications Committee Program ★
- Finance Program ★
- Region Forum ★
- Statewide Forum ★
- Water Industry Trends Program ★

**3:00 – 3:30 PM**

- Ice Cream Break in the Exhibit Hall

**3:30 – 4:30 PM**

- Roundtable Talks

**3:45 – 5:30 PM**

- Legal Affairs Committee

**5:00 – 6:00 PM**

- Outreach Reception in the Exhibit Hall

**6:00 – 7:00 PM**

- CalDesal Hosted Mixer
- Jacobs Hosted Reception
- Women in Water Hosted Reception

**7:00 – 10:00 PM**

- Dinner & Entertainment (*Ticket Required*)

### THURSDAY, DEC. 2

**7:30 AM – 4:00 PM**

- Registration

**7:45 – 9:15 AM**

- Regions 1-10 Membership Meetings

**8:00 – 9:15 AM**

- Networking Continental Breakfast in the Exhibit Hall (*Ticket Required*)

**8:00 AM – Noon**

- Connect in the Exhibit Hall

**8:30 – 10:45 AM**

- Ethics Training (AB 1234) - *Ltd. Seating*

**9:30 – 11:00 AM**

- Attorneys Program ★
- Federal Forum ★
- Finance Program ★
- Region Forum ★
- Statewide Forum ★
- Water Industry Trends Program ★

**11:15 – 11:45 AM**

- Prize Drawings in the Exhibit Hall

**Noon – 2:00 PM**

- General Session Luncheon (*Ticket Required*) ★

**2:15 – 3:15 PM**

- Attorneys Program ★
- Exhibitor Demonstrations
- Human Resource Program ★
- Statewide Forum ★
- Town Hall ★
- Water Industry Trends Program ★

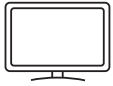
**3:30 – 4:30 PM**

- Closing Reception

All conference programs are subject to change.

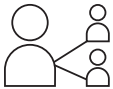
Last modified: September 15, 2021

## REGISTRATION, MEALS AND HOTEL PRICING SHEET



### REGISTER ONLINE

Register online by **November 19, 2021** at [www.acwa.com](http://www.acwa.com) to take advantage of the advance pricing.



### REGISTER ON SOMEONE'S BEHALF

Select from a list of people affiliated with your company in your account. If the registrant is not listed, you will need to create a Portal profile for the registrant before registering.

**GROUP SAVINGS!** Register 5 individuals from the same organization, receive a 6th registration free!\*

(\* Subject to terms and conditions. Contact Teresa Taylor at [TeresaT@acwa.com](mailto:TeresaT@acwa.com) for more information) before registering.

REGISTRATION OPTIONS <i>Advantage pricing applies to ACWA public agency members, associates &amp; affiliates. Standard pricing applies to non-members of ACWA.</i>	ADVANCE DEADLINE: 11/19/21		ONSITE	
	ADVANTAGE	STANDARD	ADVANTAGE	STANDARD
Full Conference Registration & Meals Package	\$725	N/A	N/A	N/A
<b>NEW!</b> Package Add-On: On-Demand Conference Recordings Bundle	\$159	N/A	N/A	N/A
Full Conference Registration Only (meals sold separately)	\$580	\$870	\$610	\$915
One-Day Conference Registration (meals sold separately) <b>Wednesday:</b> Includes Welcome Reception on Tuesday night	\$345	\$520	\$365	\$545
Guest Conference Registration (meals sold separately) Guest registration is not available to anyone with a professional reason to attend.	\$75	\$75	\$75	\$75
<b>NEW!</b> On-Demand Conference Recordings Includes on-demand access to all recorded sessions after the live conference.	\$205	\$305	\$205	\$305
<b>NEW!</b> LIVE Virtual Conference Pass (+2 weeks On-Demand access) Includes virtual access to live streamed conference sessions PLUS 2 weeks on-demand access to all recorded sessions after the live conference.	\$385	\$575	N/A	N/A
MEAL FUNCTIONS	ADVANCE		ONSITE	
Wednesday Opening Breakfast - December 1	\$50		\$55	
Wednesday Networking Luncheon - December 1	\$50		\$55	
Wednesday Dinner & Entertainment - December 1	\$75		\$80	
Thursday Continental Breakfast in Exhibit Hall - December 2	\$40		\$45	
Thursday Luncheon - December 2	\$55		\$60	

### HOTEL INFORMATION

You must be registered for the ACWA conference in order to receive hotel reservation information and conference special room rate. **Conference special rate is available September 7 - November 1**, based on availability.

#### HOTEL & ROOM RATES

The Westin Pasadena, 191 N. Los Robles Avenue  
Single/Double \$199 per night\*

Hilton Pasadena, 168 S. Los Robles Avenue  
Single \$209 per night\* | Double \$219 per night\*

Hyatt Place Pasadena, 399 E. Green Street  
Single/Double \$219 per night\*

\* Subject to applicable state/local taxes & fees

**Deadline for group rate is November 1, 2021**

#### IMPORTANT DATES

**The conference hotel room block opens on September 7.**

For those **registering for conference prior to September 7**, information on how to reserve your hotel room will be provided via e-mail on September 7.

For those registering for conference from **September 7 to November 1**, your **confirmation e-mail** will include the information on how to reserve your hotel room and an opportunity to receive a conference special hotel rate.

### QUESTIONS?

Email us at [events@acwa.com](mailto:events@acwa.com)

**Registration Cancellation Deadline: November 19, 2021 4:30 p.m. (PT)**

Conference terms and conditions available at [acwa.com](http://acwa.com) in the event section.

# Staff Report

Agenda Item: I-2

DATE: September 15, 2021 (September 21, 2021 meeting)

TO: Board of Directors

FROM: Drew Lander, General Manager

SUBJECT: Authorize the Board President to Sign a Resolution of Recognition Honoring Judi Johnson for Excellent Service to the Community Through her Service to the Board of Sunnyslope County Water District (Not a project under CEQA per Article 20, Section 15378)

---

## RECOMMENDATION:

Authorize the Board President to sign the accompanying resolution of recognition honoring Judi Johnson for her service to SSCWD.

## BACKGROUND:

Judi Johnson has served the SSCWD for a number of terms Since 2004. Each time she has done so with dedication and diligence. Most recently Judi was elected to the Board in November 2014 and has served continuously since that time until August 31, 2021 when she resigned due to personal reasons unrelated to the District. In appreciation for her service to the District it is proposed that the attached resolution be approved by the Board and a signed and framed copy be mailed to Mrs. Johnson.

## FISCAL IMPACT:

The cost to prepare and mail a resolution of appreciation will not exceed \$50.

## ENVIRONMENTAL IMPACT:

The proposed action is not a project as defined by the California Environmental Quality Act per Article 20, Section 15378.

## ATTACHMENTS:

1. Resolution of Recognition for Judi Johnson

**RESOLUTION No. XXX**

**A Resolution of the Board of Directors of the  
Sunnyslope County Water District - Hollister California  
Recognizing the Contributions of Judi Johnson**

*WHEREAS, Judi Johnson has throughout several terms of service demonstrated her dedication and determination to cost effective, safe, and plentiful water service for all customers of Sunnyslope County Water District; and*

*WHEREAS, Judi's most recent service began with her election to the Board November 2014 and she has faithfully served the Board continuously until her resignation August, 2021; and*

*WHEREAS, Judi has provided superior oversight in her participation in Committee assignments, additionally fulfilling service as a Water Resources Committee Member and President; and*

*WHEREAS, Judi offered admirable leadership and service to many issues confronting the Board of Directors during the seven years of her tenure with the organization; and*

*WHEREAS, Judi has volunteered countless hours of her personal time to study and research those issues pertaining to the mission of the District.*

*NOW, THEREFORE, BE RESOLVED that The Board of Directors of the SSCWD takes great pleasure in recognizing the important professional achievements of Judi Johnson; and herewith expresses its sincere gratitude and appreciation for the contributions she made and for the years of service to SSCWD.*

*BE IT FURTHER RESOLVED that the Board of Directors extends its best wishes for her future endeavors and that this resolution be spread upon the permanent minutes of the Board.*

*The above Resolution was passed by the following vote of the Board of Directors of the Sunnyslope County Water District, at a special meeting of said Board held on September 21, 2021.*

AYES: Directors:       \*\*\*\*\*  
NOES:                   \*\*\*\*\*  
ABSENT:               \*\*\*\*\*

Signed: \_\_\_\_\_  
Jerry Buzzetta, President

(Seal)

ATTEST:

By \_\_\_\_\_  
Drew A. Lander, Secretary of Board of Directors



# Staff Report

Agenda Item: I-3

DATE: September 15, 2021 (September 21, 2021 meeting)

TO: Board of Directors

FROM: Drew Lander, General Manager

SUBJECT: Consider Approval and Authorize the General Manager to Pay in Full the City National Bank Loan in the Amount of \$2,540,827.74 (Not a project under CEQA per Article 20, Section 15378)

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## RECOMMENDATION:

Staff recommends the board approve a resolution of the Board authorizing the General Manager to take appropriate action to Pay in Full the City National Bank Loan in the Amount of \$2,540,827.74.

## BACKGROUND:

In 2014 the Board authorized staff to refinance the balance of funds used to construct the Ridgemark Wastewater Treatment Plant. This loan was initiated with the Municipal Finance Corporation through City National Bank at a rate of 3.4%. At that time this was a very good rate. Presently rates are lower than the rate of the current loan and the District would benefit from refinancing the loan. This however comes with additional costs. The District has sufficient reserves at this time to pay off the remaining balance which are presently earning less than 0.25% in the County Local Agency Investment Fund (LAIF). The loan has just over 7 years left on the current loan and represents approximately \$360K in interest payments remaining to be paid.

Paying off the loan now would allow the District to save \$360K in interest payments over the next 7.5 years. Recently staff had researched investment strategies for the reserves that the District holds. No investment is risk free, except in the case where paying off a current loan immediately saves the District the cost of future interest payments. If the District were to invest the \$2500K current held in Heritage Money Market, in revolving investment strategies, the best returns are expected to be between 1% and 1.5%. By using District funds to pay off the Wastewater loan the resulting savings may be divided back into the Water and Wastewater funds.

The resolution of this action was not available at the time of board packet distribution and will be presented prior the September 21 board meeting for Director review.

**FISCAL IMPACT:**

The District will pay off the City National Bank Loan using Water Treatment Capital Reserves and as the Wastewater income continues to pay the loan payments to the District reserves the accrued savings will be split between the Water and Wastewater funds at a ratio of 60%/40%. The Water Treatment fund will earn a 2% interest rate on the pledged funds and the customers of the Wastewater system will receive a reduction in the interest rate charged by 1.34%

**ENVIRONMENTAL IMPACT:**

The proposed action is not a project under CEQA per Article 20, Section 15378.

**ATTACHMENTS:**

1. City Nation Bank loan amortization schedule.

## Loan Amortization Schedule

Enter values	
Loan amount	\$ 3,943,125.57
Annual interest rate	3.40 %
Loan period in years	15
Number of payments per year	2
Start date of loan	10/16/2014
Optional extra payments	\$ -

Loan summary	
Scheduled payment	\$ 168,881.16
Scheduled number of payments	30
Actual number of payments	30
Total early payments	\$ -
Total interest	\$ 1,123,309.23

Lender name: **Municipal Finance Corporation - City National Bank (Loan Agree. #14-018)**

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	4/16/2015	\$ 3,943,125.57	\$ 168,881.16	\$ -	\$ 168,881.16	\$ 101,848.03	\$ 67,033.13	\$ 3,841,277.54	\$ 67,033.13
2	10/16/2015	3,841,277.54	168,881.16	-	168,881.16	103,579.44	65,301.72	3,737,698.10	132,334.85
3	4/16/2016	3,737,698.10	168,881.16	-	168,881.16	105,340.29	63,540.87	3,632,357.81	195,875.72
4	10/16/2016	3,632,357.81	168,881.16	-	168,881.16	107,131.08	61,750.08	3,525,226.73	257,625.80
5	4/16/2017	3,525,226.73	168,881.16	-	168,881.16	108,952.31	59,928.85	3,416,274.42	317,554.65
6	10/16/2017	3,416,274.42	168,881.16	-	168,881.16	110,804.49	58,076.67	3,305,469.93	375,631.32
7	4/16/2018	3,305,469.93	168,881.16	-	168,881.16	112,688.17	56,192.99	3,192,781.76	431,824.31
8	10/16/2018	3,192,781.76	168,881.16	-	168,881.16	114,603.87	54,277.29	3,078,177.89	486,101.60
9	4/16/2019	3,078,177.89	168,881.16	-	168,881.16	116,552.14	52,329.02	<b>2,961,625.75</b>	538,430.62
10	10/16/2019	2,961,625.75	168,881.16	-	168,881.16	118,533.52	50,347.64	2,843,092.23	588,778.26
11	4/16/2020	2,843,092.23	168,881.16	-	168,881.16	120,548.59	48,332.57	<b>2,722,543.64</b>	637,110.83
12	10/16/2020	2,722,543.64	168,881.16	-	168,881.16	<b>122,597.92</b>	46,283.24	2,599,945.72	683,394.07
13	4/16/2021	2,599,945.72	168,881.16	-	168,881.16	<b>124,682.08</b>	44,199.08	<b>2,475,263.64</b>	727,593.15
14	10/16/2021	2,475,263.64	168,881.16	-	168,881.16	126,801.68	42,079.48	2,348,461.96	769,672.63
15	4/16/2022	2,348,461.96	168,881.16	-	168,881.16	128,957.31	39,923.85	2,219,504.65	809,596.48
16	10/16/2022	2,219,504.65	168,881.16	-	168,881.16	131,149.58	37,731.58	2,088,355.07	847,328.06
17	4/16/2023	2,088,355.07	168,881.16	-	168,881.16	133,379.12	35,502.04	1,954,975.95	882,830.10
18	10/16/2023	1,954,975.95	168,881.16	-	168,881.16	135,646.57	33,234.59	1,819,329.38	916,064.69
19	4/16/2024	1,819,329.38	168,881.16	-	168,881.16	137,952.56	30,928.60	1,681,376.82	946,993.29
20	10/16/2024	1,681,376.82	168,881.16	-	168,881.16	140,297.75	28,583.41	1,541,079.07	975,576.70
21	4/16/2025	1,541,079.07	168,881.16	-	168,881.16	142,682.82	26,198.34	1,398,396.25	1,001,775.04
22	10/16/2025	1,398,396.25	168,881.16	-	168,881.16	145,108.42	23,772.74	1,253,287.83	1,025,547.78
23	4/16/2026	1,253,287.83	168,881.16	-	168,881.16	147,575.27	21,305.89	1,105,712.56	1,046,853.67
24	10/16/2026	1,105,712.56	168,881.16	-	168,881.16	150,084.05	18,797.11	955,628.51	1,065,650.78
25	4/16/2027	955,628.51	168,881.16	-	168,881.16	152,635.48	16,245.68	802,993.03	1,081,896.46
26	10/16/2027	802,993.03	168,881.16	-	168,881.16	155,230.28	13,650.88	647,762.75	1,095,547.34
27	4/16/2028	647,762.75	168,881.16	-	168,881.16	157,869.19	11,011.97	489,893.56	1,106,559.31
28	10/16/2028	489,893.56	168,881.16	-	168,881.16	160,552.97	8,328.19	329,340.59	1,114,887.50
29	4/16/2029	329,340.59	168,881.16	-	168,881.16	163,282.37	5,598.79	166,058.22	1,120,486.29
30	10/16/2029	166,058.22	168,881.16	-	168,881.16	<u>166,058.22</u>	<u>2,822.94</u>	0.00	1,123,309.23

**TOTALS :**

**\$ 5,066,434.80    \$ 3,943,125.57    \$ 1,123,309.23** Current - Acct. #210.07 Long-term - Acct. #239

# Staff Report

Agenda Item: I-4

**DATE:** September 15, 2021 (September 21, 2021 meeting)

**TO:** Board of Directors

**FROM:** Rob Hillebrecht, Associate Engineer

**SUBJECT:** Consider Approval and Authorize the President to Sign an Agreement for Water Facilities and Service for the Promontory at Ridgemark Development (Certified EIR)

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## RECOMMENDATION:

Staff recommends the Board approve a Resolution to authorize the President to sign the Agreement for Water Facilities and Service for the Promontory at Ridgemark Development.

## BACKGROUND:

The Promontory at Ridgemark development is located south of Marks Dr. and west of Ridgemark Dr. on the property previously owned by Roy Lompa. This property has long been contemplated for development and has worked extensively with Sunnyslope. It was annexed into Sunnyslope's boundary for water and sewer service in 2018 and the developer intends to construct 90 new single-family homes with water and sewer service from Sunnyslope. The District currently has the capacity and ability to serve this development with potable water and sanitary sewer. The attached Agreement is based on the District's standard agreement for water facilities and service to a new development but includes several requirements specific to this development as summarized herein.

Sunnyslope's Well #8 property will be officially deeded (at no expense) to the District upon the creation of that new 100' x 100'. Currently Sunnyslope holds an easement for the Well 8 site. A new section of the Landscape Irrigation System will be extended from Well 8 to Ridgemark Dr. where it will eventually be further extended with the proposed Ridgemark Golf Course development. It will then provide solely groundwater for irrigation of the parks and landscaping in the development, preserving the high-quality surface water for domestic use.

The original plan for providing sewer service to this development was by a new gravity flow pipeline that would be installed northwest of the project connecting the existing Sunnyslope sewer collection system in Marks Dr. However, the developer believes that environmental limitations with constructing a necessary pipe bridge across a gully would hinder the reasonable construction of the gravity sewer. They have therefore proposed to construct a new sewer lift station and install a new force main to pump the wastewater. The portion of the new force main crossing the gully would be installed inside an existing Sunnyslope pipeline which is not currently in use. As compensation for the loss of this pipeline, the Developer would pay Sunnyslope \$50,000. In this circumstance, Sunnyslope would also need to go through a Prop 218 fee process to institute an additional fee on the future customers within this development to pay for the ongoing operation and maintenance of the new sewer lift station.

Sunnyslope's existing sewer pipeline in Marks Dr. into which this development will be connecting is over capacity for the sewer flows it already experiences. The addition of sewer flows from the Promontory development would only exacerbate this and could create sewer backups or overflows, especially should any section become even slightly clogged. Sunnyslope staff have projected the final buildout sewer flows expected for Marks Dr. and have calculated the necessary sewer pipe size. The Promontory will be required to replace the existing sewer with the appropriately sized pipe. However, because existing Sunnyslope customers and future proposed developments contribute to the capacity issues, Sunnyslope is responsible for 78.4% of the upsizing cost (as calculated by the over capacity contribution of each party). Sunnyslope shall compensate the developer this cost through a Capacity Fee Credit which the developer may use to offset a portion of Sunnyslope's sewer capacity fees. When the Ridgemark Golf Course development occurs, they will need to reimburse Sunnyslope 41.9% of those costs as their share of these upgrades. These sewer main upgrades are ultimately necessary whether or not Promontory were to develop, and significant savings can be achieved by working with them to accomplish these improvements.

### FISCAL IMPACT:

The developer will pay for all related District costs through the Deposit explained in Section 5 of the Agreement, along with water and sewer capacity charges and meter set/installation fees for each new unit. The water capacity charge is currently \$12,000 and sewer is \$21,650. These will both be adjusted in accordance with the Engineering News Record Construction Cost Index for San Francisco on July 1<sup>st</sup>, 2022. The water meter set fee is currently \$405, and the sewer inspection fee is \$25. This totals slightly over \$3,000,000 (though it will likely be more as capacity fees increase).

However, Sunnyslope will provide the developer a capacity fee credit for 78.4% of the cost of the Marks Dr. sewer upsizing. Using a high cost for the upsizing work of \$500,000 as an example, the capacity fee credit would be worth close to \$400,000 with about \$200,000 of that to later be reimbursed Sunnyslope by the Ridgemark Golf Course development. Yet, this cost to the District is significantly less than if Sunnyslope had to conduct and finance the whole of this necessary project ourselves.

All additional costs associated with the operation and maintenance of a new sewer lift station serving this development would be recovered by the District through a new fee assessed on the home owners within the development. This fee would be determined based off a third party engineering study of the long-term lift station costs and implemented through the Prop 218 process.

### ENVIRONMENTAL IMPACT:

The San Benito County Planning Commission certified the Environmental Impact Report for this development by Resolution No. 2018-2 on April 2, 2018 thus satisfying all requirements of the California Environmental Quality Act (CEQA).

### ATTACHMENTS:

1. Agreement for Water Facilities and Service for the Promontory at Ridgemark Development
2. Resolution of the Board

RECORDING REQUESTED BY AND  
WHEN RECORDED, RETURN TO:

Sunnyslope County Water District  
3570 Airline Highway  
Hollister, CA 95023-9702

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AGREEMENT FOR WATER AND SEWER FACILITIES AND SERVICE  
FOR THE PROMONTORY AT RIDGEMARK Development

The undersigned District declares:

Documentary Transfer Tax exemption Pursuant to Section 11922 of the Revenue and Taxation Code and Exempt from Recording Fees per Government Code Section 27383.

THIS AGREEMENT is made this \_\_\_ day of \_\_\_\_\_ 202\_\_, by and between the SUNNYSLOPE COUNTY WATER DISTRICT, a County Water District organized and existing pursuant to Division 12 of the California Water Code, State of California, ("District") and CENTURY COMMUNITIES OF CALIFORNIA, LLC, a Delaware limited liability company ("Developer").

W I T N E S S E T H:

WHEREAS, Developer owns and is developing the parcel(s) of land to be developed in San Benito County, California (the "Development") and

WHEREAS, the vicinity map of the Development is attached hereto as Exhibit A, and a map showing the planned Development is attached hereto as Exhibit B; and

WHEREAS, Developer is proposing to construct a water and sewer system to serve the Development (the "development water and sewer system") and desires to transfer the same to the District upon completion of construction, and

WHEREAS, District is agreeable to accepting the transfer, operation, and maintenance of the development water and sewer system and to provide service on the terms provided herein and their performance by Developer;

NOW, THEREFORE, in consideration of the mutual promises and conditions in this Agreement, District and Developer covenant and agree as follows:

1. INSTALLATION REQUIREMENTS. As a condition precedent to District's acceptance of the development water and sewer system, all water facilities shall be designed, constructed and be operable to District's satisfaction. District requirements shall include, but not be limited to the following:

a. Design. Developer shall design the water and sewer facilities to District's standards and any other applicable regulatory requirements. All plans and specifications shall be prepared by a licensed civil engineer registered in the State of California.

b. Plans and Specifications. Complete sets of plans and specifications for the water facilities shall be submitted to the District for review and consideration of approval prior to construction. Construction shall not proceed until all plans and specifications are signed with evidence of District approval and a preconstruction meeting is held between representatives of District and Developer. District review of plans and specifications shall commence after receipt of the initial deposit as provided in Paragraph 5.

c. Construction. Developer shall construct the water and sewer facilities as shown on the plans and specifications approved by District within two (2) calendar years of the date of this Agreement. Upon written request of Developer, District Engineer may extend such time without amendment to this agreement if in her or his sole discretion additional time is warranted. Any changes to the plans and specifications must be approved in advance by the District Engineer. All work, including connections to existing facilities, shall be performed in a manner satisfactory to the District Engineer in his or her reasonable discretion. Developer shall provide at its own expense a report by a competent soils engineer or soils laboratory, indicating that the compaction density in the fills within which water or sewer facilities are to be installed is at least equal to ninety-five percent (95%) compaction and according to such specifications and standards as the District Engineer may prescribe for all or any part of the development water and sewer system.

d. Underground Obstructions. District does not assume any responsibility or liability whatsoever during the construction

of the water and sewer systems and facilities. Any location of underground utility lines, surface or subsurface obstructions given to the Developer or placed on the project drawing by District representatives are for the Developer's convenience, and must be verified by Developer in the field. District assumes no responsibility for the sufficiency or accuracy of such information, lines, or obstructions.

e. Licenses; skill. Developer, or Developer's authorized representative (contractor) to perform the work, shall be licensed under the provisions of the Business and Professions Code of the State of California to do the type of work called for in the proposed project. District reserves the right to waive this requirement at its discretion as permitted under state statute. Developer, or Developer's contractor, shall be skilled and regularly engaged in the installation of water and sewer systems. District may request evidence that the constructing party has satisfactorily installed other projects of like magnitude or comparable difficulty.

f. Inspection. District shall have the right at any time and from time to time to inspect work in progress in the construction of the water and sewer system facilities. Developer shall provide and assure the District and its employees and any person or persons designated by it the right to inspect the development water and sewer systems and the plans, materials and work for the systems before, during and after such are installed. Developer shall be responsible for all reasonable costs incurred by the District that are associated with interim and final inspection, completion, additional construction, and testing of the systems as needed or required for the approval of the water and sewer system by the District and any other regulatory agency having jurisdiction (such as the State Division of Drinking Water or California Regional Water Quality Control Board). Within the warranty period, upon notice from the District, the Developer shall promptly correct any damages to on or off-site existing facilities related to the construction of the development water and sewer systems. If Developer fails to commence the correction within thirty (30) days after notice from the District and thereafter diligently pursue it to completion, then the District shall have the right to perform the corrections and Developer shall reimburse the District for its reasonable costs for making such correction. Prior to the delivery of the Deed transferring absolute and unencumbered ownership of the completed water and sewer systems to the District described in Section 6 to the District, Developer shall remit to the District payment of reimbursable costs incurred for inspection, administration and plan review.



g. Testing. All facilities in the development water and sewer systems shall be tested to meet District requirements. No system or portion thereof will be accepted without meeting District test requirements.

2. PAYMENT OF FEES, CHARGES AND COSTS. Developer shall pay all costs to construct the development water and sewer systems and connect the systems with the District's existing systems, and also will pay all reasonable sums expended by the District for engineering, legal and other services rendered in connection with the construction and connection, and shall pay all fees and charges established by District as connection charges, rates for service and other comparable charges prior to the District's acceptance of the development water and sewer systems. Developer shall be furnished with a statement of the fees and charges by the District upon request.

3. BOND. Developer has furnished or shall furnish a bond, cash, cashier's check or other security acceptable to District in the sum of 10% of the Engineer's Estimate for the development water and sewer systems prior to beginning of construction rounded to the nearest \$10. The Engineer's Estimate on development water and sewer systems is One Million Three Hundred Eighty Thousand dollars (\$1,380,000); therefore the required bond amount is One Hundred Thirty Eight Thousand dollars (\$138,000). These sureties shall be satisfactory to the District Board of Directors to guarantee the faithful performance of the terms of this Agreement and to guarantee the maintenance of the development water and sewer systems against defective materials and faulty workmanship for a period of one year following the acceptance of the development water and sewer systems by the District. They shall also indemnify the District against any costs of expenses (including the District's own labor costs) incurred by reason of failures, malfunctions, replacements, repairs or any other expenses incurred by District during the one-year period after the development water and sewer systems are transferred to the District.

4. PERMITS, EASEMENTS, LANDSCAPE COMPLIANCE.

a. Permits, Easements. Developer shall obtain all necessary local, county and state permits (including encroachment permits) for the development water and sewer systems, and shall conform to the requirements of the permits, and shall arrange for applicable inspections and pay any necessary fees and deposits. Developer shall obtain all permanent and temporary easements necessary for ingress and egress to and from the development water

and sewer systems for the purpose of installation, operation, maintenance and removal of system components. Unless otherwise approved by the District, all pipeline easements shall be 20 feet in width, shall be in a form approved by the District and shall be submitted/conveyed to the District in recordable form prior to District's acceptance of the development water and sewer systems.

b. Landscape Compliance. Developer shall demonstrate to the District that Developer has complied with the terms of the Model Local Water Efficient Landscape Ordinance contained in the City of Hollister Code, Chapter 15.22, adopted by the City of Hollister, and any amendments thereto and/or successor ordinances. The Developer shall comply with all other water efficiency requirements adopted by the State of California and Sunnyslope County Water District. The provisions of said ordinance are to be made available upon Developer request. Developer shall prepare and submit to the District a landscaping plan meeting the requirements of such ordinance, which plan shall be reviewed and approved by the District.

5. DEPOSIT. Developer hereby agrees to deposit in cash with the secretary of District prior to beginning of construction Fifty Five Thousand Seven Hundred dollars (\$55,700). This sum consists of 5% of the first \$50,000 of the Engineer's Estimate for development water and sewer systems, plus 4% of the remaining amount, rounded to the nearest \$10. The Engineer's Estimate is One Million Three Hundred Eighty Thousand dollars (\$1,380,000). This deposit shall be used by the District to pay for any expenses directly related to the development including but not limited to the District Engineer's charges for examination of plans and checking of specifications and other similar engineering charges, and the costs incidental to the inspection of the development water and sewer systems. If such deposit is insufficient to pay all such charges and costs, the Developer hereby agrees to pay all such reasonable charges and costs in excess of the sum so deposited prior to the acceptance of the development water and sewer systems by the District.

6. TRANSFER OF SYSTEMS TO DISTRICT. Full right, title and interest in and to the development water and sewer systems installed pursuant to this Agreement is hereby granted to the District, subject to the conditions precedent of connection of the development water and sewer systems with the water and sewer systems of the District and written Notice of Acceptance thereof by the District. There shall be no obligation upon the District to pay or reimburse the Developer any part of the cost of the development water and sewer systems. Developer will execute and obtain all signatures of any other parties having any interest (including any Deed of Trust), and deliver a Deed satisfactory in form and content to District, transferring

absolute and unencumbered ownership of the completed water and sewer systems to the District together with all real property, interest in real property, easements and rights-of-ways and all overlying and other underground water rights that are a part of, appurtenant to, or belonging to any parcels now or hereafter served by the development water and sewer systems that are necessary or appropriate in the opinion of the District in its reasonable discretion for the ownership and operation of the systems. All costs of construction of the system shall have been paid for by Developer, the time for filing mechanics liens shall have expired, and the title to the water and sewer systems and the interests in real property transferred shall be good, clear and marketable title, free and clear of all encumbrances, liens or charges. Developer shall pay costs of title insurance if deemed necessary by the District. All construction, including final inspection punch list items must be completed prior to transfer, and the transfer shall not be completed until the Deed transferring the water and sewer systems has been formally accepted by the District. After transfer, the District shall own and be free in every respect to operate and manage the water and sewer systems and to expand, improve, or interconnect with adjacent facilities, as it deems appropriate.

7. AS-BUILT PLANS, SPECIFICATIONS, VALUES, ETC. Developer shall, as its obligations under this agreement and as a condition of District's acceptance of the system, provide to the District:

a. A complete and final set of As-Built blueprints and AutoCAD digitized files for the entire development water and sewer systems, satisfactory to the District General Manager, together with a copy of the specifications and any contract documents used for the construction of the water and sewer systems.

b. A complete, detailed statement of account, satisfactory to the District, of the amounts expended for the installation and construction of the systems, with values applicable to the various components thereof, together with a list of any other materials and equipment (and their values) being transferred.

8. ACCEPTANCE AND SERVICE BY DISTRICT. Provided that Developer complies with the provisions of this Agreement, District will accept the water and sewer facilities constituting the development water and sewer systems, and will provide water and sewer services to the Development upon completion and proof supplied to District of the installation thereof, full payment of all costs thereof by Developer and certification by the District Engineer that the development water and sewer systems meet the standards and specifications required by District. Upon satisfaction of such

conditions, District shall place the acceptance of the development water and sewer systems on the next District agenda that that is reasonably practicable if deemed necessary by the General Manager. The District will provide water and sewer service only in accordance with all rules and regulations of the District, including the Developer's prepayment of applicable connection fees, capacity charges, and service charges.

9. INSURANCE. Developer or Developer's authorized representative to do the work shall maintain and be responsible for subcontractors and outside owners or operators of equipment maintaining the following coverage during the performance of the Agreement:

a. Workers' compensation or self-insurance indicating compliance with any applicable Labor Codes, acts, laws, or statutes, whether federal or state, where Developer operates, including employers' liability insurance;

b. Comprehensive general liability and comprehensive automobile liability of not less than Two Million Dollars (\$2,000,000.00) combined single limit or equivalent for bodily injury, personal injury and property damage as a result of any one occurrence.

This policy shall name the District as an additional named insured, and shall be primary and underlying to District's insurance and shall not be excess or contributing with and District insurance. Said policy shall be placed with a carrier or carriers licensed to do business in the State of California, and shall cover Developer's contractual liability to District. A certificate of insurance shall be delivered to District verifying such coverage and also showing insurance against liability for workers' compensation, and the certificate shall include a statement that thirty (30) days' written notice shall be given by the carrier to District prior to any cancellation of or material change in the said insurance. The required insurance certificates shall be delivered to the District prior to commencement of the construction.

10. NO SERVICE BEFORE COMPLETION AND TRANSFER. Developer shall not allow any occupant or person to commence operations or use of any part of the water and sewer systems within the Development prior to the transfer and acceptance by District of the water and sewer systems, excepting for construction purposes, without the express written consent of the District. Such consent will normally not be given, and without limiting in any way District right to refuse such consent, District may impose conditions or restrictions

upon any consent to such prior service, including but not limited to the posting of satisfactory surety to assure the completion and transfer of the water and sewer systems within a period of time specified by District.

11. WARRANTIES. Developer hereby warrants that as of the time of District's acceptance of the development water and sewer systems, such systems and all components thereof will be in satisfactory working order and quality, will have been constructed and installed in compliance with specifications and as-built plans being provided to District and in accordance with applicable requirements of any governmental agency having jurisdiction, and that the systems will operate in good and sufficient manner for the purpose intended for not less than one (1) year after date of transfer. Developer shall indemnify District for any costs or expenses (including District's own labor costs, subject to the procedures in Section 1.f) incurred by reason of failure, malfunction, replacements, repairs or any other expenses incurred by District during the one (1) year warranty period.

12. CONTINUING EFFECT. This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, successors and assigns of the parties hereto. Sale of properties designated in "Exhibit B" shall bear a deed restriction for the obligations set forth in Section 23(a) and Section 23(f).

13. TIME OF ESSENCE. Time is of the essence in this Agreement.

14. ENTIRE AGREEMENT. This writing contains the entire agreement of the parties with respect to the matters contained herein.

15. MODIFICATION. This Agreement shall not be modified except by an agreement in writing, signed by the party against whom the enforcement of any change, modification or discharge is sought.

16. ASSIGNMENT. Developer shall not assign this Agreement or any interest herein or hereunder without the prior written consent of the District, which consent shall not be unreasonably withheld.

17. TERMINATION. By written notice to the Developer, the District shall inform the Developer of any failure to perform any of the material terms, covenants or conditions contained herein. If the Developer does not commence to cure such failure within thirty (30) days after being notified, the District may terminate this Agreement for water and sewer service by written notice.

18. WAIVER. A waiver by either party of any breach of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition of this Agreement.

19. INDEMNITY. Developer shall protect, defend, indemnify and hold harmless the District and its Board of Directors, officers, employees and agents from any and all liability and claim for damages by reason of any injury to any person or persons or property of any kind from any cause or causes whatsoever to the extent arising from the obligations or performance of Developer under the terms of this Agreement.

20. NEGOTIATED AGREEMENT. This Agreement has been reached through negotiation between the parties. Neither party is deemed the party which prepared the Agreement within the meaning of Civil Code section 1654, or case law thereunder.

21. ATTORNEYS' FEES. In the event of a lawsuit or other proceeding to enforce or interpret this Agreement, or the parties' performance hereunder, the prevailing party shall be entitled to reasonable attorneys' fees and costs, including the costs and fees of experts engaged for the proceedings, in addition to any other relief granted. The phrase "prevailing party" shall be construed in accordance with California law.

22. FORCE MAJEURE In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, epidemic or pandemics, or any other circumstances beyond the reasonable control and without the fault or negligence of the party affected, the party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference ; provided however, that the Party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both Parties shall proceed whenever such causes are removed or cease.

23. SPECIAL TERMS.

a. The Developer is prohibited from installing Self Regenerating Water Softeners (SRWS). The Developer may install water softeners recharged by portable cartridges supplied by service

providers such that the brine solution resulting from a SRWS recharge is not discharged into the sewer system to be accepted by the District. It is understood by both the District and the Developer that the area will be served primarily by soft surface water, but under rare circumstances may receive harder groundwater.

b. Developer acknowledges that Developer must conform to and follow the most updated District regulations and requirements in effect at the time the plans and specifications are approved with regard to drought and conservation. However, District shall not condition acceptance of the development water system on drought regulation (such as efficiency requirements or landscaping limitations) unrelated to the design of the development water system.

c. Developer shall coordinate with the District in the installation of a dedicated landscape irrigation water system as determined reasonable by the District Engineer. This system shall serve large landscape irrigation demands such as road medians and parks. It will eventually deliver potable well water for landscape irrigation to reserve the softer, higher quality potable surface water for residential use. The determining of reasonability for this landscape irrigation system shall consider the estimated landscape water use, installation cost, and the potential for future expansion of the landscape irrigation system.

d. Environmental limitations around the gully northwest of the project limit the reasonable construction of a gravity flow pipe bridge, so the Developer may, as an alternative, design and install a new sanitary sewer lift station and force main in accordance with all District requirements and specifications. This shall include a dedicated backup generator with an automatic transfer switch, separate electrical metering from Sunnyslope's Well 8, ammonium nitrate injection facilities, a mechanical grinder prior to the wet well, sewer pumps, SCADA controls, and other requirements as directed by the District.

e. If the environmental limitations around the existing cart path and fill section crossing the gully to the northwest of the project further restrict the Developer's ability to trench and install a new force main through that section, the Developer may purchase from the District the right to use the District's existing 6" force main as a conduit through which the new force main can be pulled. The District and Developer have negotiated a purchase price of \$50,000 for the 250 linear feet of existing 6" force main crossing the gully. This price was determined based off an assumed replacement value of \$100 per linear foot for the pipe installation and \$25,000

as the estimated value of environmental permitting effort in the event that the District must restore this line section in the future.

f. Sunnyslope shall create a Special Service Area Fee encompassing the entire development to pay for the ongoing expense of the new lift station. This Fee shall be instituted and approved before any water or sewer service is rendered. A third party engineering firm shall conduct an analysis of the long-term lift station operation and maintenance cost which shall become the basis for the fee. It is anticipated that this fee will be a percentage of the average wastewater rate and collected through home owner's property tax bill. If a pipe bridge and gravity sewer later replaces the lift station, this Special Service Area Fee shall end and no longer be required or collected.

g. Developer shall replace the existing 8-inch sewer line in Marks Dr. with a new larger gravity sewer main. This sewer upsizing shall be designed by the Developer in coordination with District staff. All costs associated with the design and construction of this upsizing shall be accounted for separate from the rest of the development. The Developer pay for all improvements for Marks Dr. However, the District shall provide the Developer a Capacity Fee Credit amounting to 78.4% of the Marks Dr. expenses reviewed by the District Engineer. Prior to issuance of said credit, Developer shall provide the District with a written accounting of the cost of the sewer main upsizing, to the District's satisfaction. Once issued, the Developer may use the Capacity Fee Credit to offset only Sunnyslope sewer capacity fees to the approved amount. Once the value of the credit has been used to offset sewer capacity fees, Developer shall pay all remaining capacity fees as required in Section 2.

h. Upon approval of the Development Final Map subdividing the property, the Developer shall transfer to the District the Lot identified as Parcel D through a Grant Deed at no expense to the District. This parcel contains both the District's Well 8 and the new sanitary sewer lift station for the Development. Sunnyslope shall have Fee Title ownership of this parcel.

i. Developer shall acquire for the District any and all easements and rights to connect a water pipeline from the end of Helen Court to the development. Should such acquisition be determined unreasonable by the District, alternative options may be considered including but not limited to installation of a secondary pipeline in the entrance road to the development. However, the connection at Helens Court is significantly preferred to any alternative options.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate on the date and year first above written.

"District"

SUNNYSLOPE COUNTY WATER DISTRICT, a public corporation

---

Jerry Buzzetta  
President, Board of Directors,  
Sunnyslope County Water District

ATTEST:

---

Drew A. Lander  
District Secretary

"Developer"

CENTURY COMMUNITIES OF CALIFORNIA, a Delaware limited liability company

---

Nicholas Arenson  
Vice President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE

OF

CALIFORNIA

COUNTY OF SAN BENITO

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF SAN BENITO

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF SAN BENITO

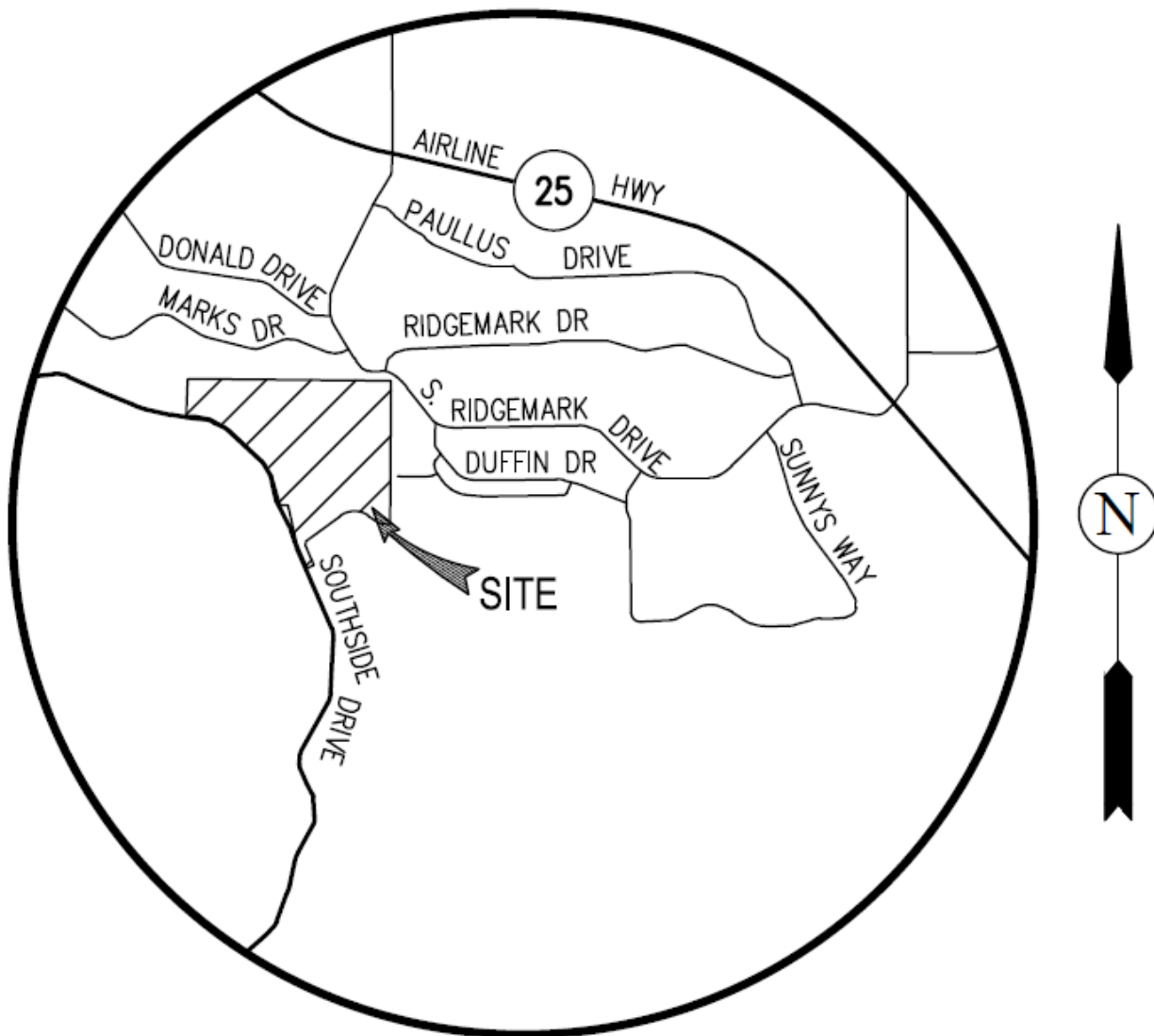
On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_,  
Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the  
person(s) whose name(s) is/are subscribed to the within instrument  
and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their  
signature(s) on the instrument the person(s), or the entity upon  
behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of  
California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

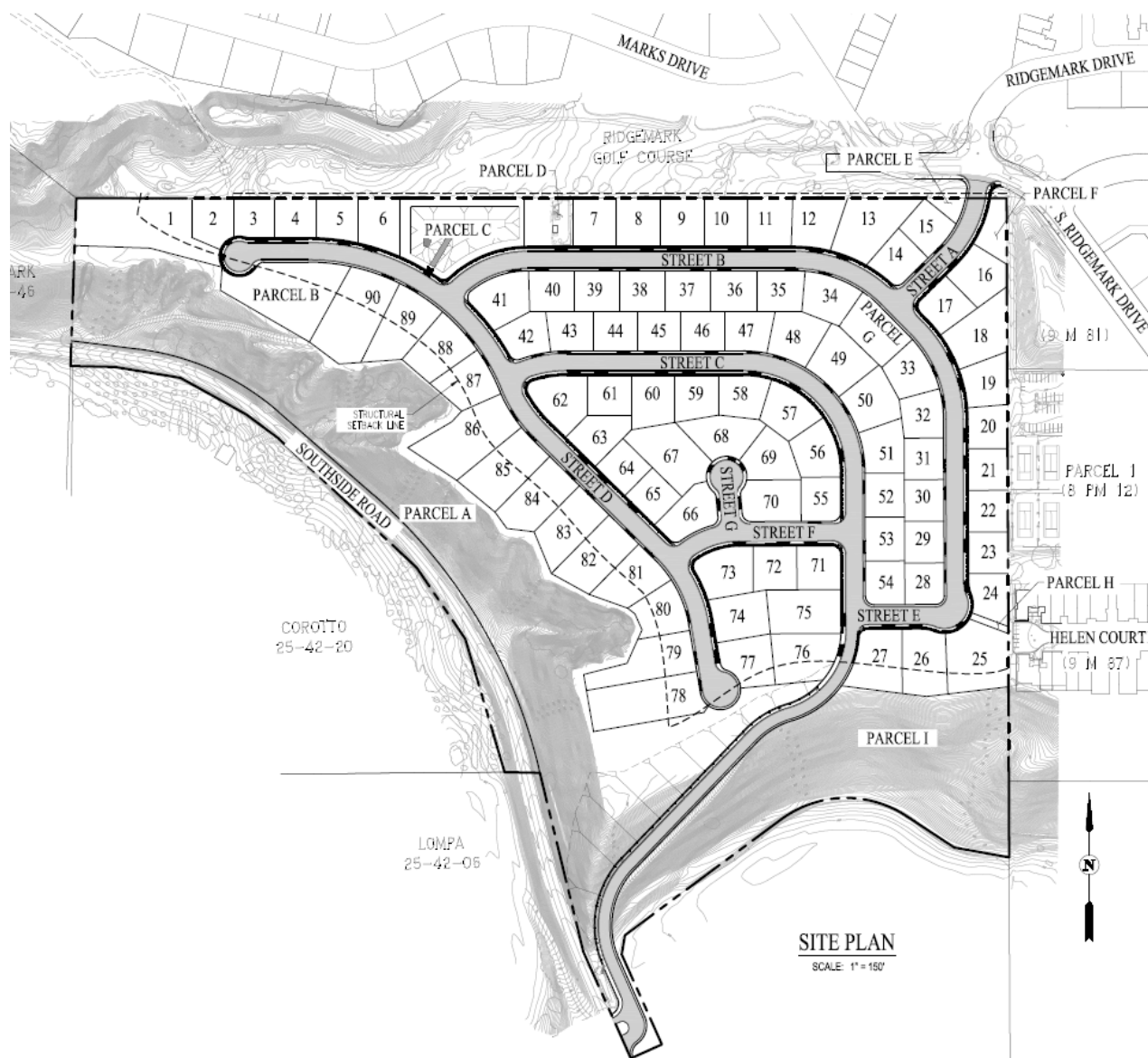
EXHIBIT A  
(Vicinity Map of Development)



VICINITY MAP

NOT TO SCALE

**EXHIBIT B**  
**(Map of Development)**



**RESOLUTION NO. XXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SUNNYSLOPE COUNTY WATER DISTRICT APPROVING AND  
AUTHORIZING EXECUTION OF AGREEMENT FOR WATER  
FACILITIES AND SERVICE FOR THE PROMONTORY AT  
RIDGEMARK DEVELOPMENT.**

**RESOLVED**, by the Board of Directors of the Sunnyslope County Water District, San Benito County, California, that that certain Agreement for water and sewer service facilities and service by and between this District and Century Communities of California, LLC (“Developer”), a Delaware limited liability company, heretofore presented to this Board, be, and it is hereby, accepted and approved and that the President of said District be, and is hereby, authorized and instructed to sign said agreement, and that the Secretary of said District, be, and is hereby, authorized and instructed to countersign and attest said agreement, in triplicate, and to deliver duly executed copies thereof to the Developer, on behalf of said District, and is further authorize and instructed to record a copy of said agreement in the office of the County Recorder of the County of San Benito, State of California.

**THE BOARD FURTHER RESOLVES**, that acceptance of said Facilities by the District shall be considered by the Board only upon satisfactory completion of all specified conditions of the Agreement, to be determined by the District Engineer.

*The above Resolution was passed by the following vote of the Board of Directors of the Sunnyslope County Water District, at a special meeting of said Board held on September 21, 2021.*

AYES: Directors:       \*\*\*\*\*  
NOES:                   \*\*\*\*\*  
ABSENT:               \*\*\*\*\*

Signed: \_\_\_\_\_  
Jerry Buzzetta, President

(Seal)

ATTEST:

By \_\_\_\_\_  
Drew A. Lander, Secretary of Board of Directors

# Staff Report

Agenda Item: I-5

DATE: September 14, 2021 (September 21, 2021 Meeting)

TO: Board of Directors

FROM: Drew Lander, General Manager

SUBJECT: Receive Applications Submitted by Constituents of the District Seeking Appointment to the Board of Directors and Direct the General Manager to invite Qualified Individuals to be Present at the October 19, 2021 Board Meeting for Interview by the Board (Not a project under CEQA per Article 20, Section 15378)

## RECOMMENDATION:

Review the applications received prior to September 15, 2021 and approve by motion direction given to the General Manager to invite qualified applicants to attend the October 19, 2021 Board Meeting to be interviewed by the Board.

## BACKGROUND:

At the Regular Board Meeting held in August, Director Johnson announced her resignation from the Board effective August 31, 2021. The Board accepted her resignation and directed the General Manager to advertise the vacancy and receive applications up to September 15<sup>th</sup>. One application has been received and has been distributed to the four Directors for review.

The Board has until October 30 to appoint a new Director to fill the Board vacancy. Since only one application has been received, the Board may choose to continue to advertise until the October Board meeting and hold interviews at that time. If it pleases the Board to not accept further applications, then no additional advertising will occur and the single applicant will be invited to attend the board meeting on October 19<sup>th</sup> for interview and a decision to appoint by the Board.

## FISCAL IMPACT:

Additional advertising in the local news publication will cost \$385. No other direct costs will occur if further advertising does not occur.

## ENVIRONMENTAL IMPACT:

The proposed action is not a project as defined by the California Environmental Quality Act per Article 20, Section 15378.

# Staff Report

Agenda Item: I-6

DATE: September 15, 2021 (September 21, 2021 Meeting)

TO: Board of Directors

FROM: Drew Lander, General Manager

SUBJECT: Consider and Approve a Resolution Authorizing Funding the District's California Employers' Pension Prefunding Trust (CEPPT) Section 115 Plan with a transfer from General Reserves of \$1000K (Not a project under CEQA per Article 20, Section 15378)

## RECOMMENDATION:

Recommend the Board approve a resolution authorizing funding the District's California Employers' Pension Prefunding Trust (CEPPT) Section 115 plan with a transfer from general reserves of \$1000K.

## BACKGROUND:

At the April 2021 regular board meeting the Board approved opening a Section 115 Trust fund with CalPERS but declined to authorize funding until staff returned with a resolution of recommendation for funding. At that time staff reminded the Board that in May of 2019 the Board directed \$1,085,858 be paid to accelerate the amortization payments of the unfunded liability and reduce interest costs. After this payment the unfunded liability as of June 30, 2020 was reduced from \$67,143 to \$8,233. Based on the July 2020 Annual Valuation Reports for Sunnyslope County Water District's PEPRA and Classic Miscellaneous Plans, the Fiscal Year 2021-22 and projected Fiscal Year 2022-23 Unfunded Accrued Liabilities (UAL) are \$26,846 and \$37,600 respectively, which are based on the June 30, 2019 Annual Valuation Report. Comparatively, the District's holds an asset position of \$37,404 with respect to its future OPEB obligations.

Staff has taken a look at the investment risk of District reserve funds and recommends that the District invest initially at \$1,000,000. Investment risk is defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. As a rule of thumb, the higher the risk, the better the return. There is no such thing as a risk-free investment. Stocks, bonds, mutual funds, and exchange-traded funds can lose value, or even their entire value if market conditions decline. Diversification is one of the best ways to manage risk in any portfolio. Like most public agencies providing defined benefits, SSCWD will continue to have significant challenges over the next twenty plus years funding the CalPERS Unfunded Actuarial Liability (UAL). During the 21-22 budget process the Finance Committee discussed our projection for the



future on how the CEPPT might be utilized. The initial deposit of \$1000K has the potential to earn more than \$200K in the first 5 years, and over the next twenty years it may earn as much as \$900K (depending on the rate of payout). The District presently receives less than 0.25% return on monies held in LAIF or in District savings account.

Funding the CEPPT now and managing it into the future will help the District stay on top of the UAL. The CEPPT Investment Program offers two investment options (Strategy 1 and Strategy 2). Both options have the same asset classifications but the allocation between the two strategies shifts. Strategy 2 is much more heavily weighted in fixed income bonds (73%) while Strategy 1 is nearly evenly split between equity and fixed income. Detail of the split is on the CEPPT Program Informational Flyer. The returns are summarized below:

	MSCI ACWI IMI Index	US Aggregate Bond Index	Global Liquid RE Securities	US Treasury Inflation Protected
1 Year	0.92%	10.35%	14.41%	7.13%
3 Year	9.81%	2.93%	6.33%	2.22%
5 Year	7.06%	3.39%	7.29%	2.45%
10 Year	8.91%	3.76%	9.04%	3.46%

The CEPPT is a relatively new product for CalPERS and has one year of data. As with any investment portfolio, there will always be variability in returns. Both Strategy 1 and 2 outperformed their goal returns of 5% and 4% respectively for their first year with CalPERS CEPPT as shown in the program informational flyer.

### FISCAL IMPACT:

This is a transfer from general reserves to a Section 115. Immediate impact on financial statements will be zero. When the funds are utilized, it would represent an expense. Transfer into the Section 115 does represent a transfer into a restricted fund because the funds will only be available for pension funding. This action will represent the initial deposit of \$1000K into the CEPPT. Assuming SSCWD will have \$3M in unfunded accrued liability expenses over the next twenty years we will need to grow the account to \$3M, or add \$100K/yr. That \$100K will need to come from investment earnings or our ratepayers. As we make deposits into the fund over the next two decades, we will also make the decision when and how much to transfer to paydown the UAL. The Board should anticipate ~\$2M cumulative over the next twenty years, but certainly the fund will rise and fall according to our activity needs. Finally, in the unlikely event that we do not continue to accrue a UAL balance, the Section 115 account may be utilized to make our regular contributions to CalPERS.

**ENVIRONMENTAL IMPACT:**

This action is not a project under CEQA per Article 20, Section 15378.

**ATTACHMENTS:**

1. CEPPT Program Informational Flyer
2. CEPPT – Strategy 1
3. CEPPT – Strategy 2

# The California Employers' Pension Prefunding Trust

## Prefund future pension costs with a CalPERS trust fund

The CEPPT is designed to give public agencies who offer defined benefit pensions the opportunity to save money by investing now for their future pension contributions.

### How can you use the CEPPT?

- Prefund normal cost contributions and unfunded liability payments
- Make additional discretionary payments
- As a contingency fund for future volatility

### Advantages

The CEPPT is designed to save you money and stabilize your budget by offering:

- CalPERS investment management
- Low total participation costs
- Efficient and effective customer outreach and support
- Simple and streamlined account transactions

### Participation Costs

The CEPPT is a self-funded, not-for-profit program where participating employers pay for the total cost of trust operation. The CEPPT has an all-inclusive fee rate of 25 basis points (0.25 percent) of employer account assets under management. There are no other fees. All employers pay the same fee rate, which may be higher or lower in the future.

“ The CEPPT program gives us a powerful tool to help ensure the stabilization and sustainability of our long-term retirement benefits. With its low fees, flexibility, risk diversification, and professional staff, it is the perfect program to save money for our agency and the ratepayers we serve. ”

– Robert Housley, Director of Finance and Human Resources  
Midway City Sanitary District

*The CEPPT is an employer pension contribution prefunding trust fund administered by CalPERS that was established by Senate Bill 1413 and formed under Section 115 of the Internal Revenue Code.*

*Figures as of October 2020*

### Portfolio Options

The CEPPT offers two broadly diversified, risk-efficient, and cost-effective investment options. You may choose one or both investment options based on your investment time horizon. You control the funding decisions as contributions and disbursements are voluntary.

CEPPT Portfolios	Strategy 1	Strategy 2
Expected Net Rate of Return	5.00%	4.00%
Standard Deviation	8.2%	5.2%

Asset Classification	Benchmark	Strategy 1	Strategy 2
Global Equity	MSCI ACWI IMI (Net)	40% ±5%	14% ±5%
Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	47% ±5%	73% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid (Net)	8% ±5%	8% ±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg Barclays US TIPS Index (Series L)	5% ±3%	5% ±3%
Liquidity	91-Day Treasury Bill	0% +2%	0% +2%

### Contact Us

For more information, visit us online at [www.calpers.ca.gov/ceppt](http://www.calpers.ca.gov/ceppt), call a CEPPT program representative at (916) 795-9071, or email [CEPPT4U@calpers.ca.gov](mailto:CEPPT4U@calpers.ca.gov).

# CEPPT Strategy 1



July 31, 2021

## Objective

The CEPPT Strategy 1 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

## Strategy

The CEPPT Strategy 1 portfolio is invested in various asset classes that are passively managed to an index. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CEPPT Strategy 2, this portfolio has a higher allocation to equities than bonds. Historically, equities have displayed greater price volatility and, therefore, this portfolio may experience greater fluctuation of value. Employers that seek higher investment returns, and are able to accept greater risk and tolerate more fluctuation in returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

## Assets Under Management

As of the specified reporting month-end:

CEPPT Strategy 1	Annual Expense Ratio
\$41,648,400	0.25%

Note: Current asset allocation values and percentages are based on 8/2/2021 ending market values due to a significant employer contribution that was received in the fund on 7/30/2021 and not fully reflected in the asset allocation until 8/2/2021.

## Composition

### Asset Class Allocations and Benchmarks

The CEPPT Strategy 1 portfolio consists of the following asset classes and corresponding benchmarks:

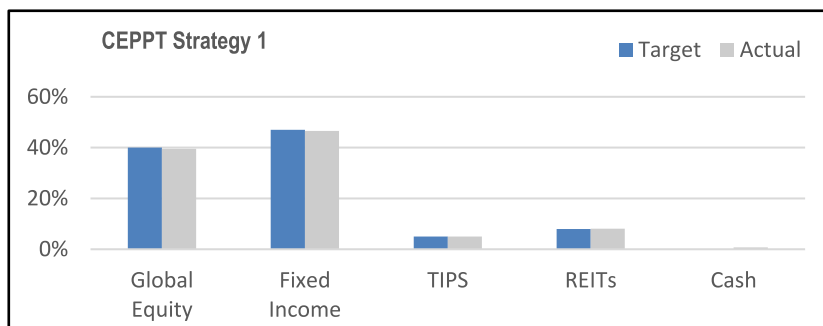
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	40%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	47%	± 5%	Bloomberg Barclays U.S. Aggregate Bond Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg Barclays U.S. TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Cash	-	+ 2%	91-Day Treasury Bill

## Portfolio Benchmark

The CEPPT Strategy 1 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

## Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation for a particular asset class based on market, economic, or other considerations.



## CEPPT Strategy 1 Performance as of July 31, 2021

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (October 1, 2019)
Gross Return <sup>1,3</sup>	1.17%	3.18%	1.17%	16.06%	-	-	-	12.26%
Net Return <sup>2,3</sup>	1.15%	3.12%	1.15%	15.79%	-	-	-	12.00%
Benchmark Return	1.17%	3.07%	1.17%	15.84%	-	-	-	12.28%
Standard Deviation <sup>4</sup>	-	-	-	-	-	-	-	-

\* Returns for periods greater than one year are annualized.

<sup>1</sup> Gross returns are net of SSGA operating expenses.

<sup>2</sup> Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

<sup>3</sup> Expenses are described in more detail on page 2 of this document.

<sup>4</sup> Standard deviation is based on gross returns and is reported for periods greater than 3 years.

# CEPPT Strategy 1



July 31, 2021

## General Information

### Information Accessibility

The CEPPT Strategy 1 portfolio consists of assets managed internally by CalPERS and/or by external managers. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published. CalPERS provides a quarterly statement of the employer's account and other information about the CEPPT. For total market value, detailed asset allocation, investment policy and performance information, please visit our website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

### Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CEPPT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CEPPT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, and Treasury Inflation-Protected Securities.

### Custodian and Record Keeper

State Street Bank serves as custodian for the CEPPT. Northeast Retirement Services serves as recordkeeper.

### Expenses

CEPPT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater reduction of investment return. Currently, CEPPT expense ratios are 0.25%. This equates to \$2.50 per \$1,000 invested. The expenses consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

### What Employers Own

Each employer invested in CEPPT Strategy 1 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

### Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

### Principal Risks of the Portfolio

The CEPPT fund is a trust fund dedicated to prefunding employer contributions to defined benefit pension plans for eligible state and local agencies. CEPPT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CEPPT Principal Investment Risks" located at [www.calpers.ca.gov](http://www.calpers.ca.gov).

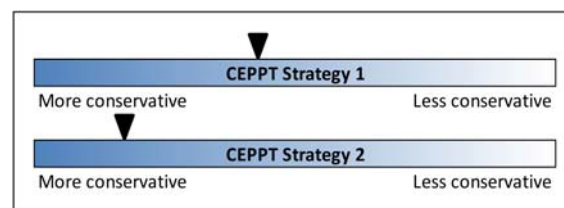
### Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit [www.calpers.ca.gov](http://www.calpers.ca.gov) and follow the links to California Employers' Pension Prefunding Trust.

## CEPPT Strategy Risk Levels

CalPERS offers employers the choice of one of two investment strategies. Projected risk levels among risk strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2
Global Equity	40%	14%
Fixed Income	47%	73%
Treasury-Inflation Protected Securities	5%	5%
Real Estate Investment Trusts	8%	8%



# CEPPT Strategy 2



July 31, 2021

## Objective

The CEPPT Strategy 2 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

## Strategy

The CEPPT Strategy 2 portfolio is invested in various asset classes that are passively managed to an index. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CEPPT Strategy 1, this portfolio has a lower allocation to equities and a higher allocation to bonds. Historically, funds with a lower percentage of equities have displayed less price volatility and, therefore, this portfolio may experience comparatively less fluctuation of value. Employers that seek greater stability of value, in exchange for possible lower investment returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

## Assets Under Management

As of the specified reporting month-end:

CEPPT Strategy 2	Annual Expense Ratio
\$19,858,528	0.25%

## Composition

### Asset Class Allocations and Benchmarks

The CEPPT Strategy 2 portfolio consists of the following asset classes and corresponding benchmarks:

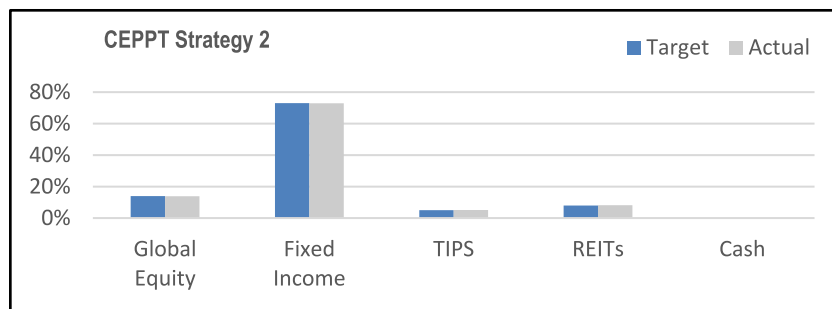
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	14%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	73%	± 5%	Bloomberg Barclays U.S. Aggregate Bond Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg Barclays U.S. TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Cash	-	+ 2%	91-Day Treasury Bill

## Portfolio Benchmark

The CEPPT Strategy 2 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

## Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation for a particular asset class based on market, economic, or other considerations.



## CEPPT Strategy 2 Performance as of July 31, 2021

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (January 1, 2020)
Gross Return <sup>1,3</sup>	1.33%	2.81%	1.33%	7.12%	-	-	-	7.69%
Net Return <sup>2,3</sup>	1.31%	2.76%	1.31%	6.88%	-	-	-	7.45%
Benchmark Return	1.33%	2.79%	1.33%	6.88%	-	-	-	7.52%
Standard Deviation <sup>4</sup>	-	-	-	-	-	-	-	-

\* Returns for periods greater than one year are annualized.

<sup>1</sup> Gross returns are net of SSGA operating expenses.

<sup>2</sup> Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

<sup>3</sup> Expenses are described in more detail on page 2 of this document.

<sup>4</sup> Standard deviation is based on gross returns and is reported for periods greater than 3 years.

# CEPPT Strategy 2



July 31, 2021

## General Information

### Information Accessibility

The CEPPT Strategy 2 portfolio consists of assets managed internally by CalPERS and/or by external managers. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published. CalPERS provides a quarterly statement of the employer's account and other information about the CEPPT. For total market value, detailed asset allocation, investment policy and performance information, please visit our website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

### Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CEPPT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CEPPT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, and Treasury Inflation-Protected Securities.

### Custodian and Record Keeper

State Street Bank serves as custodian for the CEPPT. Northeast Retirement Services serves as recordkeeper.

### Expenses

CEPPT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater reduction of investment return. Currently, CEPPT expense ratios are 0.25%. This equates to \$2.50 per \$1,000 invested. The expenses consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

## What Employers Own

Each employer invested in CEPPT Strategy 2 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

### Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

## Principal Risks of the Portfolio

The CEPPT fund is a trust fund dedicated to prefunding employer contributions to defined benefit pension plans for eligible state and local agencies. CEPPT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CEPPT Principal Investment Risks" located at [www.calpers.ca.gov](http://www.calpers.ca.gov).

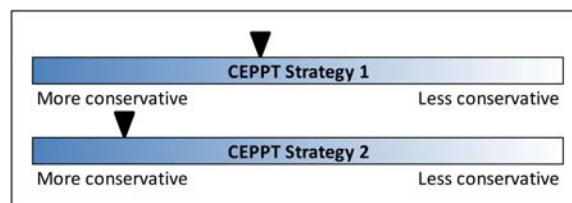
## Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit [www.calpers.ca.gov](http://www.calpers.ca.gov) and follow the links to California Employers' Pension Prefunding Trust.

## CEPPT Strategy Risk Levels

CalPERS offers employers the choice of one of two investment strategies. Projected risk levels among risk strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2
Global Equity	40%	14%
Fixed Income	47%	73%
Treasury-Inflation Protected Securities	5%	5%
Real Estate Investment Trusts	8%	8%



**RESOLUTION NO. XXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
SUNNYSLOPE COUNTY WATER DISTRICT**

**AUTHORIZING FUNDING THE DISTRICT'S CALIFORNIA  
EMPLOYERS' PENSION PREFUNDING TRUST (CEPPT) SECTION 115  
PLAN WITH A TRANSFER FROM GENERAL RESERVES OF \$1,000,000**

**WHEREAS**, The Board of Directors desires to prefund its CalPERS pension benefits with an IRS Code § 115 California Employers' Pension Prefunding Trust (CEPPT); and

**WHEREAS**, the Board of Directors is in agreement that it is appropriate and prudent to fund said CEPPT with a transfer from General Reserves of \$1000K and authorize a transfer from General Reserves; and

**WHEREAS**, the Board of Directors understands that funding allocated to the CEPPT is a restricted reserve where only CalPERS retirement liabilities may be satisfied through allocated funds; and

**WHEREAS**, the Board has reviewed the CEPPT funding strategies available and from time to time may make adjustments to the funding strategies.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of the Sunnyslope County Water District, does hereby resolve, determine, find, and order that \$1000K be transferred from General Reserves to fund the CEPPT account and that 100% of these funds shall be allocated into funding Strategy #2.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on September 21, 2021 by the following vote:

AYES:	DIRECTORS	*****
NAYS:	DIRECTORS	None
ABSENT:	DIRECTORS	None

SUNNYSLOPE COUNTY WATER DISTRICT

By: \_\_\_\_\_  
Jerry Buzzetta, President

(SEAL)

**ATTEST:** \_\_\_\_\_  
Drew A. Lander, Secretary