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**CONSOLIDATED
REPORT**

SAN BENITO COUNTY

2025-2026 Civil Grand Jury

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June 3, 2026

Honorable J. Omar Rodriguez, Presiding Judge
Superior Court of California, County of San Benito
450 4th Street
San Benito, CA 95023

To the Honorable Judge Rodriguez,

I am pleased to present to you and our San Benito County citizens, as the Foreperson of the 2025-2026 San Benito Civil Grand Jury, and on behalf of the entire 18 members of the Civil Grand Jury, the 2025-2026 Civil Grand Jury Consolidated Report.

It was an honor and privilege to serve as the Foreperson, along with a very talented, and committed group of people who chose to serve our community. Every correspondence delivered to the team was considered and discussed in a thoughtful and comprehensive manner. Every investigation undertaken was performed with the goal of enlightening and improving the community. I am fortunate to have had the opportunity to work with this diverse group of individuals and I feel that over the course of the year we became a strong team.

On behalf of the entire Civil Grand Jury, I would like to thank all of the individuals that worked with us to inform and educate our team. I believe that every member of the Civil Grand Jury learned something about how our community works. I believe that through this document, we have provided suggestions and recommendations for improvement of local government.

We encourage every citizen who aspires to improve our community to consider serving as a Civil Grand Juror to help provide a path forward for San Benito County. It has been our distinct pleasure, and as Foreperson, my honor to serve.

Sincerely,

Steve Wittry
2025-2026 Civil Grand Jury Foreperson



SAN BENITO COUNTY
2025-2026 CIVIL GRAND JURY

OFFICERS

Steve Witry
Elise Lalor
Bobbie Rosnik
Jacy Leibold
Aquel Wilson
Karen Enzensperger

Foreperson
Foreperson Pro Tem
Sergeant-at-Arms
Recording Secretary
Correspondence Secretary
Treasurer

MEMBERS

Roger Brown
Toney Canty
Ed Davis
Tyger Decosta
Karen Enzensperger
Ray Jean, Committee Chair
Charles M. Kjar
Elise Lalor
Jacy Leibold

Linda Mazzie, Committee Chair
Alicia Parra
Barbara J. Pollek
Angelica Rojas
Carmen Rosas, Committee Chair
Bobbie Rosnik, Committee Chair
Elia Salinas
Aquel Wilson, Committee Chair
Steve Wittry

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CIVIL GRAND JURY OVERVIEW

The Civil Grand Jury is an independent institution that investigates the legislative and administrative agencies and departments that make up County, City, and Special District government in each of the 58 Counties in California. The California State Constitution has granted this power since 1850 to help ensure that these agencies are efficient, honest, and dedicated to serving the public.

The San Benito County Civil Grand Jury is composed of 19 members, selected annually under the supervision of the Presiding Judge of the San Benito County Superior Court, with the assistance of the Court's Administrative Office. The 2025-26 San Benito County Civil Grand Jury has been under the supervision of the Honorable Judge Omar Rodriguez. By law, a Civil Grand Juror must be a United States citizen, 18 years or older, be a resident of San Benito County for at least one year, have knowledge of the English language, and have no convictions for malfeasance in office, any felony, or any other high crime.

In addition to meeting the statutory requirements, a Juror will be most effective by committing 15 to 20 hours per week, with potentially more time required from Officers and Committee Chairs. Civil Grand Jurors need to demonstrate the ability to work cooperatively with others, be tolerant of all views and opinions, and have a genuine interest in having a positive impact on community affairs through local Governance. As a deliberative body, we are most effective by offering a path forward.

Oath of the Civil Grand Juror

I do solemnly swear (affirm) that I will support the Constitution of the United States and of the State of California and all laws made pursuant to and in conformity therewith, will diligently inquire into, and true presentment make, of all investigations carried on by the Civil Grand Jury, of which the Civil Grand Jury shall have or can obtain legal evidence. Further, I will not disclose any evidence brought before the Civil Grand Jury, nor anything which I or any other Grand Juror may say, or the manner in which I or any other Grand Juror may have voted on any matter before the Civil Grand Jury. I will keep the charge that will be given to me by the court.

DEFINITIONS & ACRONYMS

BOS – (San Benito County) Board of Supervisors

BSCC - Board of State and Community Corrections

CRIS – California Radio Interoperability System

County Legal Counsel – One of the Civil Grand Jury’s authorized and designated legal advisors, and house counsel for San Benito County’s government.

COH – City of Hollister

CGJA – California Civil Grand Jury Association

CJHRC - Curtis J. Hill Rehabilitation Center

HHS – Health and Human Services

Plenary – Fully attended or constituted by all entitled to be present; a meeting of the full 19 members of the Civil Grand Jury panel.

Quorum – The minimum number of members of the Civil Grand Jury required to be present at a meeting to transact business is 12.

SBCJ - San Benito County Jail

SBCWD – San Benito County Water District

Supermajority – The number of votes, greater than a majority, needed for a body to take certain actions. For the Civil Grand Jury, 12 votes are the supermajority for a 19-member Jury. The number does not decrease due to vacancies, absences, or recusals.

YSC – (San Benito County) Youth Services Center

San Benito County Sheriff Department

SUMMARY

Department

The San Benito County Sheriff's Department (Sheriff) is separated into two divisions, Corrections and Patrol.

Corrections

The San Benito County Civil Grand Jury (Civil Grand Jury) conducted inspections of the correctional facilities in San Benito County (County). During these visits, the Civil Grand Jury observed that the facilities are understaffed. Inmate transportation to and from the courthouse is commonly conducted by a single Correctional Officer. Title 15 of the California Code of Regulations identifies that officers transport inmates with sufficient numbers of personnel to ensure officer and inmate safety. The current staffing level presents a safety and liability concern. While Title 15 provides a standard, the specific number of personnel required are identified by County policy. The County does not have an adopted policy.

Deputy Patrol

Civil Grand Jury members participated in ride-alongs with the Sheriff during both day and night shifts. While deputies were observed patrolling the community and responding to calls, it is evident that our correctional officers and patrol deputies are stretched thin.

Issues were observed regarding equipment. Radio communications have a limited range and are inadequate. In many situations, officers use personal cell phones for communication. The Civil Grand Jury understands that the radios have been purchased, however, they have not been issued to officers. There is a software issue that must be resolved prior to deployment. Further, patrol vehicles have high mileage that may impact reliability during emergency responses.

BACKGROUND

The San Benito County Jail (SBCJ) is a 28,000 square foot facility that opened on November 17, 1992, with a construction cost of approximately \$7 million. The jail has capacity for 108 male and 16 female inmates. The males are housed within four detention “pods”. Two of these pods are identified as “maximum security” and house up to 35 inmates each. The male pods are laid out as sections of a circle that allow officer observation from a control station.

The two female pods are rectangular in design that house up to eight inmates each. While they can be observed from the control station, video coverage is required to fully view the entire detention area. The female pods do not have direct access to the outdoor yard.

In 2021, the Curtis J. Hill Rehabilitation Center (CJHRC) was opened. It is a two-story, 22,000 square foot building with a capacity of 72 inmates. The County utilized grant funds to help offset the approximately \$25 million construction cost. There is no reception center for intake and release of inmates at this facility. The CJHRC is not currently in use due to the lack of correctional personnel.

The San Benito County Youth Service Center (YSC) is a 24-hour facility with a maximum capacity of 24 juveniles. The facility has a waiting area, visiting room, classroom, day room, outdoor recreation and garden. The juvenile facility does not have a medical bay. MEDIKO, a contracted on-call medical firm, serves the health needs of the youth facility and the SBCJ.

There are currently 31 correctional officers employed; however, four are currently on medical/administrative leave. Facilities are staffed 24 hours with duties split into two 12-hour shifts.

In addition, the department has 29 patrol deputy sheriffs, which includes two K-9 officers. These officers are tasked with patrolling 1,238 square miles of San Benito County. They do not directly patrol within the Hollister City limits, but they do assist City Police when necessary. Patrol shifts are 12 hours. Currently, there are three officers on medical/ administrative leave.

METHODOLOGY

Inspection of the Correctional Facilities in San Benito County

- San Benito County Jail, 710 Flynn Road, Hollister CA 95023
- Curtis J. Hill Rehabilitation Center, 710 Flynn Road, Hollister CA 95023
- Youth Services Center, 708 Flynn Road, Hollister CA 95023

The Civil Grand Jury conducted ride-alongs with the Sheriff.

Review of the report issued by the Board of State and Community Corrections (BSCC) dated February 26, 2026. The date of the facility inspection was January 27, 2026. The report identified that incarcerated persons were held in sobering cells longer than 12 hours without hourly safety checks.

Interviews were also conducted with the Sheriff, senior leadership, the Probation Program Coordinator and the Head of Administrative Staff.

Additionally, Title 15 of the California Code of Regulations, which governs crime prevention and corrections, including minimum standards for local detention facilities and jail operations and Section 1056 - Use of Sobering Cells, were reviewed.

DISCUSSION

On December 22, 2025, the Civil Grand Jury conducted an inspection of the main jail and CJHRC facilities. The Civil Grand Jury made the following observations during its inspection:

- Viewed all detention pods and entered Pod D.
- The shower facilities in the SBCJ have limited lighting and uneven floors which pose a potential tripping hazard.
- The laundry facilities are managed by inmates.
- The kitchen area was clean and well-maintained.
- The medical facility in the CJHRC was modern and well equipped.
- The shower within the intake center at CJHRC is non-compliant with existing Americans with Disabilities Act (ADA) requirements.

The Civil Grand Jury interviewed both male and female inmates to discuss the resources and opportunities available to them. Inmates acknowledged having a general understanding of their responsibilities and the resources provided by the jail.

FINDINGS AND RECOMMENDATIONS

F1. Staffing shortages exist within the Sheriff's Department. The Department is unable to attract and maintain adequate staffing.

R1. The Civil Grand Jury recommends that the County invest in retention incentives or other programs for existing officers within the next nine months.

F2. A new radio communication system has been purchased but has yet to be implemented.

R2. The Civil Grand Jury recommends that the County take appropriate steps to implement the new radio system within the next three months.

F3. The intake reception area of the Curtis J. Hill Rehabilitation Center is non-ADA compliant.

R3. The Civil Grand Jury recommends that the facility be brought into ADA compliance within six months.

F4. The Sheriff's department requires additional staffing when transferring inmates and detainees.

R4. The Civil Grand Jury recommends that the County develop a policy so that all inmates and detainees are transported by a minimum of two officers/deputies. This recommendation must be implemented within the next nine months.

F5. The BSCC report Non-Compliance (1056 - The use of Sobering Cells)- Incarcerated persons were held in sobering cells longer than 12 hours without hourly safety checks.

R5. The Civil Grand Jury recommends that the facility incorporate the recommendations that the Sheriff submitted to the BSCC within 6 months.

REQUIRED RESPONSES

The following responses are required, pursuant to Penal Code sections 933 and 933.05, from the following governing boards within 90 days:

County of San Benito Board of Supervisors

San Benito County Office of the Sheriff

INVITED RESPONSES

Board of State and Community Corrections

To Subpoena or Not to Subpoena

INTRODUCTION

The San Benito County Civil Grand Jury (Civil Grand Jury) term runs from July through June in conjunction with the City of Hollister (City) and the San Benito County fiscal year. Each year, there is a new Civil Grand Jury selected, with some members returning from the previous year. The Civil Grand Jury writes an annual report based on investigations conducted during the year. The City Committee of the Civil Grand Jury investigates any complaints or issues regarding the City of Hollister and the City of San Juan Bautista. It may interview city officials as part of its investigations.

The City administration staff has stated there is a policy that requires the Civil Grand Jury to obtain a subpoena for any and all requests for information, documentation, and for interviews of city staff and elected officials. Administrative staff stated that this is the only way to ensure that the information given to the Civil Grand Jury was relevant and within their scope of investigations.

METHODOLOGY

The 2025-26 Civil Grand Jury was sworn in June 2025 and began discussions on what to investigate during its term. Requests for interviews are sent directly to interviewees and scheduled by a Committee of the Civil Grand Jury. To interview city officials, a subpoena is required. To obtain a subpoena, a request must be submitted to the County Counsel, acting on behalf of the Civil Grand Jury. Then a subpoena is issued.

BACKGROUND

The Civil Grand Jury begins its term in July. The Civil Grand Jury Association provides training courses to help jurors acclimate and to orient new jurors. Topics include conducting interviews, writing reports, and a general understanding of what is expected during their tenure.

Subcommittees are created to disperse the workload. The Civil Grand Jury has five committees:

- City
- County
- Law and Justice
- Health, Education and Welfare
- Special Districts

The Civil Grand Jury has a year to meet, conduct investigations and complete the final report. Most of the investigative work is completed within six to eight months, leaving time to write and edit the final report. The challenge facing this year's Civil Grand Jury was that the City requires all interviews and documentation to be obtained via subpoena.

The process for initiating and sending a subpoena takes three to four weeks. Once issued, the affected party has 14-30 days to respond. This process adds a significant delay to the investigation process. Further, if an interview reveals that a document exists and should be reviewed, a new subpoena is required and the process begins anew. If the subpoena is ignored, it further delays the investigation process.

DISCUSSION

The City's requirement of subpoenas is allowed by statute. However, the City is the only agency within San Benito County with a specific policy requiring a subpoena for every request.

During the course of the year, the Civil Grand Jury issued 15 individual subpoenas to the City. The City's response to the subpoenas has been extremely poor. As an example, the Civil Grand Jury subpoenaed all City Council members and the interim City Manager. Only two Council members appeared at the appointment time. Others failed to appear at the agreed time. In addition, many of the elected officials failed to produce documents as requested via subpoena.

The lack of understanding of the gravity of a court-issued subpoena is surprising and frustrating. The Civil Grand Jury interview team was assembled and left waiting. Unfortunately, due to the Civil Grand Jury's short term, there is no time to pursue legal action to ensure compliance. The City has a policy to require subpoenas; however, several elected officials and the interim City Manager failed to appear as required without repercussions.

City officials are legally required to appear for interviews with a civil grand jury in California, under California Penal Code Section 939.2. While the grand jury has the authority to issue enforceable subpoenas to compel the attendance of witnesses, including local government officials and department heads, it seems like an unnecessary step, except in extreme cases, as city officials are already required to meet with the jury.

The purpose of a city government is to manage the day-to-day affairs of a municipality. It serves as the level of government closest and most directly accountable to residents. The purpose of the Civil Grand Jury is to act as the public's watchdog by investigating and reporting upon the affairs of local government. The purpose of both entities appears to be in accordance with each other. The goals of the Civil Grand Jury are aligned with those of the City Council

FINDINGS AND RECOMMENDATIONS

F1: The subpoena process took an additional four - six weeks to complete and schedule interviews with City Officials.

R1: Remove the current blanket subpoena process.

R1A: Within the next six months, the City should adopt a policy that allows the Foreperson of the Civil Grand Jury (or designee) to contact public officials to schedule interviews.

F2: The subpoena process took an additional four - six weeks to complete to obtain documents.

R2: Remove the current blanket subpoena process.

R2A: Within the next six months, the City should adopt a policy that allows the Foreperson of the Civil Grand Jury (or designee) to request documents. Production of said documents must be timely in compliance with the California Public Records Act.

F3: A former interim city manager did not respond to a subpoena request for interviews. Four of the elected officials did not show for their initial scheduled interview. The Civil Grand Jury had to reissue subpoenas for those interviews.

R3: Within the next three months, the City Attorney must train elected officials on the importance and penalties associated with subpoenas.

RESPONSES REQUIRED

The following responses are required, pursuant to Penal Code sections 933 and 933.05, from the following governing boards within 90 days:

Hollister City Council

RESPONSES REQUESTED

Hollister City Manager

Hollister Police Chief

Hollister Finance Director

Hollister Independence Day Rally

INTRODUCTION

What began as the Hollister Riot of 1947 and inspired the movie "The Wild One", starring Marlon Brando, is also believed to be the birthplace of the American Biker. In 1997, the first official, large-scale Hollister Independence Day Rally (Rally) was held to commemorate the 50th anniversary of the movie. It continued off and on for a few years before the Hollister City Council (City Council) directed a Rally hiatus in 2018. In 2022, Measure T passed. This was an advisory ballot item, and the voters decided 63% to 37% to bring back the Rally. The City Council decided to move forward with holding the Rally during the 4th of July weekend in 2025. Along with our Mayor, some City Council Members, and others in the community, it was believed that the Rally would bring in thousands (millions?) of dollars to the City of Hollister (City) and establish us as a tourist destination. Others believed the event may not generate sufficient revenue and could result in a financial loss for the City. The San Benito County Civil Grand Jury (Civil Grand Jury) conducted an investigation to see what type of financial outcome took place.

This report is not intended to determine whether the Rally had a positive or negative impact on the community. It is intended to provide insight into the financial and managerial issues that occurred.

METHODOLOGY

The Civil Grand Jury met with the Mayor, City Council, Chief of Police, and key stakeholders to the Rally to discuss the event, budget, security, and measured outcomes. The Civil Grand Jury reviewed the budget and electronic communications as part of the investigation.

BACKGROUND

The Rally returned in 2025. The last official Rally was held in 2017, and the event went on hiatus due to financial concerns. Following the COVID-19 pandemic, in November 2022, voters approved an advisory vote to bring the Rally back. The City moved forward to hold the Rally in the Summer of 2025. An ad hoc committee, consisting of Mayor Stephens and Councilmember Resendiz, was formed to plan the event. The Mayor stated that it would bring "millions and millions of dollars" into the local economy.

DISCUSSION

During interviews with the City Council, it was apparent that there was no clearly defined or approved budget for the 2025 Rally. When City Council members were asked for further information regarding the expenditure plan, the Civil Grand Jury was directed to ask the ad hoc committee.

The Rally ad hoc committee could not provide consistent financial details and referred the Civil Grand Jury to city staff. The Civil Grand Jury subpoenaed financial data and cost documentation. The information provided was incomplete and inaccurate.

The Civil Grand Jury looked at two cost centers for the Rally: Security and Revenue.

Security

In January of 2025, the City Council directed staff to proceed with the Rally in July 2025. This short planning window did not allow time for a formal bid process. The City utilized an informal bid process which did not provide all of the details necessary for a complete understanding of the security requirements. The informal bid process allowed the low bidder to negotiate

following a comprehensive review of the security requirements.

A low bidder was determined in February 2025, and final negotiations proceeded. In May 2025, the security company adjusted the costs after a complete understanding of the requirements. A review of communications between the Chief of Police and City Manager showed that the revised overall cost for security would average \$118,000 per day, not including costs for City staff.

The cost was higher than expected, and the security company gave the following reasons:

1. It is a holiday weekend, and it will take a higher hourly rate to attract the guards that would be needed.
2. Because of the type of event, he wants guards who are levelheaded and who have police experience. They will require a higher rate of pay.
3. Like the police departments that have refused to assist our agency, they are finding it hard to find security officers and companies who are willing to participate in this type of event with the potential dangers involved. Therefore, they have to offer a higher hourly rate.
4. This is a last-minute event when it comes to planning events of this size.
5. This rate has been used in other events when they have similar concerns or potential dangers.

The bid was withdrawn as the parties could not reach a final cost agreement.

The ad hoc committee and the city executive team moved forward in securing another security company, American Global Security (AGS). AGS did not participate in the initial bidding process. The City entered into an agreement with AGS on June 9, 2025. The replacement security contract was secured at a cost of \$264,497, exceeding the previously adjusted bid. To date, final costs of the AGS contract have not been provided.

Public concerns were raised concerning the qualifications of AGS staffing. Issues pertained to the lack of experience at events such as this and language barriers with AGS. In addition, City staff witnessed AGS personnel sleeping in their personal vehicles, without nearby sanitation stations.

Following the event, the Hollister Police Department stated that security personnel for the event must be able to speak/understand English, and all field staff must be issued radios for emergency communication. Concerns were also noted regarding the consumption of alcohol outside of designated areas.

AGS issued an after-action report on July 7, 2025. Among other issues noted, AGS indicated for future Rally events in the City should contract for security services at least six months ahead of the event, but in no case less than four months.

Revenue Projections

The community has expressed concerns about the financial sustainability of the Rally. Some City officials projected that the event would either generate significant revenue or break even, while others expressed concern that it would result in a financial loss. The former City Manager briefed the City Council that the costs for the 2025 Rally would require the use of “one-time” money to “come close” to breaking even. The City leveraged one-time funds associated with the Amazon project to help close the gap. These funds were identified for use by the City for public benefit.

To date, the City has failed to provide the Civil Grand Jury with a true accounting of the costs associated with the Rally. When pressed for detailed information on the budget vs. actual revenue, final revenue and expenditure figures were not made available, indicating a lack of transparency. Records were requested but not included in the documents provided.

FINDINGS AND RECOMMENDATIONS

F1: The initial security vendor withdrew due to insufficient or inaccurate information during the bidding process. A replacement vendor was secured two weeks prior to the event at significantly higher cost, with personnel lacking relevant experience.

R1: A professional security company for the Rally must be contracted no later than six months prior to the event.

F2: Many of the contracted security company's personnel did not have adequate rest or sleeping facilities and slept in vehicles, which is a violation of local ordinances.

R2: All contracts for services must require vendors to comply with the City's municipal code and San Benito County Public Health code.

F3: There is conflicting information in regard to the forecasted budget for the 2025 Rally vs the actual amount spent on the Rally.

R3: Within three months following the 2026 Rally event, the City must disclose the actual expenditures incurred. Including but not limited to all staff time.

R3A: Following any large event (greater than 1000 people) where City funds are expended, the City must disclose actual incurred costs.

R3B: Any future Rally event must have a realistic budget, including revenue projections and sources adopted by the City Council at least nine months prior to the event.

F4: There is a lack of continuity of information between the city officials and staff members. The ad hoc Committee, Mayor Stephens, and Councilmember Resendiz made the majority of decisions for the Rally.

R4: The ad hoc committee cannot make decisions for the entire City Council. Within the next six months, the City must adopt rules and responsibilities for all ad hoc committees to ensure continuity of information.

R4A: The City Council members are responsible for knowing what the actions the ad hoc committee is taking and what is being proposed.

RESPONSES REQUIRED

The following responses are required, pursuant to Penal Code sections 933 and 933.05, from the following governing boards within 90 days:

Hollister City Council

RESPONSES REQUESTED

Hollister City Manager

Hollister Police Chief

Hollister Finance Director

The Waters Are Murky: An Investigation into Transparency Issues at Sunnyslope County Water District

INTRODUCTION

The San Benito County Civil Grand Jury (Civil Grand Jury) initiated an investigation into Sunnyslope County Water District (Sunnyslope) operations following multiple complaints regarding district operations. One complaint was submitted directly to the Civil Grand Jury, and several other complaints were identified on various social media platforms and in articles published by BenitoLink.

The complaints included Sunnyslope's water rate increases, conflicts within its Board of Directors, and a perceived lack of transparency by the Sunnyslope Board and the General Manager. These transparency issues appeared to impede Sunnyslope's communications with the public. Conflicts among the Board of Directors appeared to center on a reliability fee imposed by the San Benito County Water District and whether the fee should be refunded to customers. During the investigation, sewer rate increases affecting some customers were implemented in April 2026, resulting in additional complaints. The Civil Grand Jury investigated concerns regarding Sunnyslope County Water District's policies, practices, and governance. During the investigation, the Civil Grand Jury identified issues related to sewer service rate increases, easement payment practices, due process within the governing board, and communication between District staff, the Board of Directors, and customers.

A lack of transparency can undermine trust within the District and among the public. The Civil Grand Jury identified instances in which established procedures may not have been followed, potentially resulting in inconsistencies with internal policies, procedures, and legal requirements.

METHODOLOGY

The Civil Grand Jury interviewed current and former staff and Board members of Sunnyslope County Water District, as well as the staff at San Benito County Water District, all of whom had firsthand knowledge of Sunnyslope staffing, Board operations, and practices. The Civil Grand Jury also reviewed the 2013 and 2024 rate studies, minutes from previous board meetings from 2020-2026, the California Government Code, audio recordings of Board meetings, and related documents. The Civil Grand Jury reviewed publicly available reporting, including BenitoLink articles and publicly accessible social media discussions. Additional documents were requested and reviewed, including assessments, easement agreements, board policies, the Sunnyslope Employee Handbook, and the website. The Civil Grand Jury also reviewed other water districts' policies to establish a baseline for best practices.

At the time this report was prepared, requested documents and emails had not been fully produced in response to Civil Grand Jury subpoenas.

BACKGROUND

Sunnyslope County Water District is a Special District operating within San Benito County. Sunnyslope was formed on December 17, 1954, as a California Special District pursuant to the California County Water District Act, §30000 et seq., to furnish water and wastewater services to residents of the District in San Benito County, California. (<https://www.sunnyslopewater.org>) Special Districts, such as Sunnyslope County Water District, are independent public agencies operating within the State of California. Sunnyslope's Board of Directors consists of publicly elected representatives chosen by District customers. Sunnyslope works cooperatively with other local water agencies, including the San Benito County Water District and the City of Hollister, to provide and maintain water and wastewater services throughout the county. The District also participates in regional planning efforts intended to improve water quality and

maintain reliable water supplies during drought conditions.

Sunnyslope County Water District serves approximately 8,000 homes and businesses within San Benito County. Areas served include Ridgemark Estates, Oak Creek, and the Quail Hollow neighborhoods. Sunnyslope is also expanding its service area to include Best Roads Mutual Water Company, Stonegate Community Service Area, and the Tres Pinos Water District. Sunnyslope, as a Special District, is governed by many of the same laws and requirements as any other local public agency.

DISCUSSION

Sewer Rate Adjustments

During the April 2026 billing cycle, a significant number of sewer customers residing in Ridgemark and Quail Hollow received bills substantially higher than those in previous billing cycles. The investigation found that Sunnyslope management changed the sewer billing methodology from incremental billing to a flat-rate structure. Although this possible billing methodology was discussed in the Raftelis Fee Study Report (2024) and a water rate hearing was held on August 6, 2024, the data presented at the 2024 meeting included only water rates and not sewer rates. Since that meeting, no hearing has been scheduled to specifically address a change to the sewer rate.

Modification of rates without due notice appears in conflict with Sunnyslope's Resolution 527, which requires the Board to consider written protests prior to the imposition or increase to any water or wastewater fee or charge, and with Proposition 218, which requires a 45-day notice prior to the scheduling of a public hearing in order to allow customers the opportunity to discuss and appeal any water or sewer rate changes. Sunnyslope's website contains no information on this subject, and there were no discussions of sewer rate changes at recent

public meetings of the Board of Directors before the rates were changed.

The sudden change in sewer rates, implemented without proper notice, led to customer complaints directed to Sunnyslope's office and expressed on social media. Typically, front office staff receive management guidance on communicating water and sewer rate changes and addressing customer concerns; however, this guidance was not provided in this instance. Office staff reported receiving limited guidance regarding how to respond to customer concerns. Fourteen Ridgemark residents submitted formal complaints during the public comment period at the Board of Directors Meeting on May 19, 2026.

The issues raised by homeowners included significantly increased sewer bills and the impact that higher bills would have on both seniors and those who lived in single-person households.

The purpose of the May 19th meeting was to approve the flat rate, authorize the mailing of a Proposition 218 notice to affected customers, and schedule a hearing in 45 days. However, under Proposition 218, notices to customers and scheduling a hearing should have been completed before changing the rates.

Easements

One of Sunnyslope's current projects is the Water System Consolidation Project. Within agenda documents, the project is also referred to as the "Small Water System Consolidations with Sunnyslope Project." This project would consolidate several smaller community water systems, including Tres Pinos, Stonegate, Venture Estates, and Best Roads, and make Sunnyslope the lead agency for project planning, environmental review, and construction. The project requires connecting six miles of pipeline to complete it.

A March 16, 2026, article published by BenitoLink stated:

"There are six miles of pieces of pipeline," said Sunnyslope County Water District General

Manager Drew Lander. "The pipeline that goes out there is only about three miles, but we have other connecting pieces that have to go together and pieces inside of Tres Pinos in order to connect them, for a total of six miles."

Lander said construction of the pipeline began this month near Fairview Corners. He said neither Tres Pinos nor Stonegate could afford to pay the \$2 million or more required to upgrade their systems or drill new wells. He added that SSCWD will not be footing the bill to pay for connecting Tres Pinos or the other small communities to its system. "

Timeline of the project

On March 27, 2023, the Department of Water Resources notified San Benito County that it had been awarded \$13,274,684 in grant funding for the Small Water Systems Consolidations with Sunnyslope Project.

On June 24, 2025, the Sunnyslope Board approved a memorandum of understanding with the County to provide these services. The costs for this project will be paid from the Department of Water Resources grant and from assessments received from users of the water system. The work for this project must be completed by December, 2026.

To complete this project, six easements are required to connect the existing Sunnyslope water system to the smaller community water systems. The easements would grant Sunnyslope the right to use part of a landowner's property, without owning the land. This would allow Sunnyslope to install and maintain water infrastructure on private property.

Normally, a Special District or Public Utility could use eminent domain to acquire the right to use real property for public benefit. Eminent domain allows the government to acquire private property for public use with fair compensation. Fair compensation is often debated and calculated based on the property's fair market value and any associated damage or benefits.

For landowners, stopping an eminent domain case is unlikely; however, negotiating higher compensation is possible.

On December 16, 2025, the Sunnyslope Board voted to authorize the first of six easements necessary to complete the water consolidation project. This first easement involved an existing easement maintained exclusively by the San Benito County Water District. The easement runs parallel to the Highway 25 corridor between Best Road and the Tres Pinos School District property. Sunnyslope is required to move the waterline west at a cost of \$1,047,827. San Benito County Water District would cover this cost.

The Easements and Their Acquisition

At the January 27, 2026, Board meeting, the Board accepted the remaining five easement proposals.

The remaining five easements are as follows:

- Foxhill Tank Easement, Containing 1,940 sqft
- Highway 25 Transmission Easement, Containing 2.26 acres
- School Property Transmission Easement, Containing 6,954 sqft
- Stonegate Transmission Easement, Containing 15,505 sqft
- Ridgemark Transmission Easement, Containing 0.75 acres

Land appraisals were solicited and used as a basis for compensation to each property owner. Eminent domain was not used as an instrument for acquiring the required land rights. During the meeting, the question of eminent domain was raised but dismissed because the process can be lengthy. Sunnyslope employees and Board members stated in interviews that they have known for at least two years that these easements were needed. At the January 27, 2026, Board meeting, the General Manager stated that deals were made with the landowners

without using eminent domain because there was not enough time to pursue that option. The information provided in Table 1 under "Paid to Owner" was obtained via interviews with Sunnyslope staff.

Easements				
	Size/Acres	Assessed Value*	Paid to Owner	Also Paid to Owner**
Foxhill Tank Easement	0.045	\$ 58,400	Unkown	0.5 acre foot of water in perpetuity (forever)
Highway 25 Transmission Easement	2.26	\$ 11,800	\$100,000	5 water connections (curent value \$8,800)
Highway 25 Transmission Easement	5.57	\$ 14,600	Unkown	
School Property Transmission Easement	0.16	\$ 12,700	Unkown	
Stonegate Transmission Easement	0.36	\$ 500	\$10,000	
Ridgemark Transmission Easement	0.75	Unknown	Unkown	
* Assess values were provided by SSCWD				
** At the time of this report, the contracts between SSCWD and the landowners had been requested and promised to the CGJ. Subsequently these agreements were subpoenaed.				

Table 1

Eminent Domain can take up to 18 months to settle. It can also take much longer, even years, if the landowners disagree with the compensation and seek a court judgment. The fair market value of these properties is relatively low, and the cost of pursuing a court ruling could be prohibitive for both parties. Although Sunnyslope knew the easements were needed, the eminent domain timeframe became impossible due to the timing of negotiations.

Negotiations began sometime after July 1, 2025. The landowners had a distinct advantage because all construction must be completed by January 31, 2027, due to bond funding limitations. For the Highway 25 Transmission Easement, Sunnyslope is obligated to pay the homeowner \$100,000 and \$44,000 in water connection fees for a parcel of land valued at less than \$12,000. The Foxhill Tank Easement on property owned by a single homeowner includes an unknown amount of compensation, plus 0.5-acre foot per year of well water in perpetuity. During an interview, the cost of 0.5-acre foot of well water was estimated at approximately \$2,000 for the customer. The grant funds are expected to be exhausted within approximately one year, after which Sunnyslope may continue absorbing associated costs. It costs Sunnyslope

less to deliver the water. The total budgeted for easements in the grant that San Benito County Water District has with the Department of Water Resources is \$287,500. The Sunnyslope packet for the January 27, 2026, meeting states the following:

"The two land easements critical to the successful completion of this project are the Foxhill tank expansion and the Highway 25 transmission easement. To acquire these easements, there is additional compensation which has been negotiated."

There was no mention of the actual compensation for any of the properties. The Civil Grand Jury requested the signed contracts, and as of the date of this report, has not received them. When various interviewees were questioned about the contracts, they were unable to verify whether they had been signed. In interviews, the Civil Grand Jury was advised that the "in perpetuity" component of the Foxhill Tank Easement contract may be modified, but there is currently no way to confirm that it has been changed. Questions about whether rights could be transferred or sold were addressed with assurances that this would not occur, but there is no way to check whether these stipulations were included in the contract.

Interviews with Sunnyslope staff, former staff, and neighboring water districts revealed that granting water resources and connections in perpetuity as payment is unusual at best. Several interviewees expressed concern that providing water in perpetuity could potentially be interpreted as a gift of public funds. The Sunnyslope staff stated that they were attempting to modify the Foxhill Tank Easement deal so that it would not remain in perpetuity; however, Sunnyslope did not provide additional details requested by the Civil Grand Jury. One interviewee stated that the City of Hollister has many agreements with landowners in which water was given as compensation for some sort of exchange. The Civil Grand Jury was unable to corroborate this claim. The one specific instance cited involved the "Cienega Pipeline." The assertion was that water has been provided free of charge to residents along the Cienega Pipeline for decades. The Civil Grand Jury attempted to verify this assertion and found a long history regarding the water supply used by the residents of the Cienega Valley and the City of

Hollister. There does not seem to be a comparable case.

Dispute Resolution Inconsistencies

Members of this year's Civil Grand Jury have directly observed conflicts between the Sunnyslope County Water District Board of Directors during open board meetings in the fall of 2025. One dispute at the November 2025 Board meeting resulted in a Board member using an abstention vote to indicate dissent and/or protest. According to the Sunnyslope Duties of Members of the Board of Directors, an abstention vote may be used only in the case of a personal or financial conflict of interest. The Duties also state the following regarding abstention from a vote: "Unless such a conflict of interest exists, however, Directors should not abstain from the Board's decision-making responsibilities." More importantly, disputes centered on the appropriateness of the San Benito County Water District's reliability fee charged to Sunnyslope. In 2014, the San Benito County Water District imposed a reliability fee on the Sunnyslope and the City of Hollister Water District to cover part of the costs associated with the Accelerated Drought Response Project (ADRoP), which all three districts agreed to as part of the San Benito County Master Plan. The current San Benito County Master Plan Update (2024) is a comprehensive plan and agreement between San Benito County Water District, the City of Hollister Water District, Sunnyslope, and San Juan Bautista Water District. The districts agreed to construct underground aquifers to store the water that the county receives from the Central Valley Project. The stored water would be used during droughts to avoid higher-priced water by eliminating reliance on the free market, where prices are traditionally higher during droughts. Prior to the ratification of the current plan, San Benito County Water District obtained a \$20 million grant for ADRoP with the caveat that the districts in San Benito County would also have to contribute the final \$50 million cost.

According to multiple people interviewed from Sunnyslope, the San Benito County Water District insisted that the reliability fee was necessary to secure the grant. It was explained that the additional money collected would be placed in an interest-bearing reserve fund controlled

by the San Benito County Water District and dedicated to this project. The fee paid by Sunnyslope was incorporated into the higher rate structure approved after the Rate Study was completed in May 2024.

The reliability fee was charged to Sunnyslope before the board had authorized it, and Sunnyslope initially objected and started the official dispute process with Step One, which called for the Sunnyslope board to meet with the San Benito County Water District and discuss the issue. The full board voted to proceed with Step One. The three conflict resolution steps detailed from the San Benito Urban Area Water Supply and Treatment Agreement (5/29/13) includes the following resolutions (Resolution Step Three is not cited in this report since the Sunnyslope Board did not reach this step in the dispute.):

Resolution Step One:

The managers or other persons designated by the disputing Parties will negotiate on behalf of the entities they represent. The nature of the dispute shall be reduced to writing by each such Party together with the relevant facts asserted and shall be presented to the manager of the other Party, who shall then meet and attempt to resolve the issue. If the dispute is resolved at this step, there shall be a written memorialization of such resolution, signed by each disputing Party's manager and ratified by each Party which shall be binding upon the Parties.

Resolution Step Two:

If the dispute cannot be resolved within ten (10) days at Step One, one the disputing Parties shall submit the matter to non-binding mediation. The dispute shall be heard by a mutually acceptable mediator and any common costs of mediation shall be borne equally by the disputing Parties. The Parties shall each bear their own costs and fees therefore. If the issue is resolved at this step, a written memorialization of such resolution shall be signed by each manager and approved by the respective disputing Party.

According to several reports, there were no open meetings after Step One was implemented, and Step One extended beyond the 10-day resolution period identified in the agreement. The dispute was eventually resolved after staffing changes at the San Benito County Water District and through private meetings between management from both water districts. The disagreements observed during the Sunnyslope Board meetings in the fall of 2025 among board members were apparently the result of the decision not to follow already-mandated conflict-resolution steps, which would have required instigating Step Two within 10 days of the approval of Step One. Step Two would have involved the transmission of a letter from the Sunnyslope attorney to the San Benito County Water District. By a vote of four to one at the November 2025 Sunnyslope meeting, the board decided not to proceed with the letter. The Board expressed a preference for Sunnyslope to minimize litigation in its business dealings, a preference that coincided with its decision not to proceed with Steps Two and Three. This decision was followed by public criticism expressed through BenitoLink and social media.

Although staff and board directors generally agreed during the Civil Grand Jury interviews that the ADRoP Project is a valuable initiative, disagreements arose regarding its funding through an initially unapproved reliability fee and the Sunnyslope board's failure to adhere to established procedures for resolving the conflict. While the topic of the board's failure to follow the steps receded in subsequent meetings in 2025-2026, the resignation of one board member and various interviews with board members and Sunnyslope staff suggest that this issue has not been fully resolved.

Transparency/Communication Issues

During the 2025-2026 investigation, the Civil Grand Jury discovered several instances in which communication issues impeded transparency, both within the organization and in how information was communicated to the public.

Public Issues

While examining the Sunnyslope County Water District website, the Civil Grand Jury identified missing information. A review of board meetings from 2020 to 2026 revealed missing minutes from multiple meetings, even though the minutes had been approved by the Board. The absence of approved meeting minutes on Sunnyslope's website makes it difficult for the public to remain informed about ongoing projects and board decisions.

Additionally, during interviews with Sunnyslope staff, it was discovered that audio recordings of Board meetings existed. When questioned about the recordings, some members of management appeared unaware that the recordings existed. At the April 28, 2026, Board meeting, the general manager stated that meetings were not recorded; however, the Civil Grand Jury obtained audio recordings of the Board meetings from Sunnyslope. Furthermore, the Civil Grand Jury confirmed that Sunnyslope's general manager is aware of these recordings. These recordings are public records, and they are protected by the California Public Records Act (CPRA).

The CPRA is specific about what public records are and it defines "public records" as "any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency, regardless of physical form or characteristics" and it further defines a writing as "any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored."

Furthermore, if a recording is made, for whatever purpose, it must be made available to

members of the public in response to a request under the CPRA. The recording may be erased or deleted 30 days after the recording is made. If recordings of public meetings are hidden, it can affect how much citizens believe Sunnyslope, as a public institution, is acting ethically and competently.

Several individuals interviewed by the Civil Grand Jury expressed a desire to encourage public participation in Board meetings and within the policy-making process. However, other interviewees expressed limited interest in increasing public participation. Two interviewees explained the lack of participation in meetings is a result of a community that is satisfied with Sunnyslope's performance. However, there is no evidence of a correlation between nonparticipation and customer satisfaction. Unfortunately, the inconsistent posting of minutes and the lack of available recordings from Board meetings could make it difficult to fully engage Sunnyslope's customers.

The Civil Grand Jury uncovered a situation where the public was not notified of a new program that would affect customers moving into new communities. In 2025, the Board approved the implementation of the Statewide Community Infrastructure Program (SCIP). This program will change how developmental impact fees will be collected from future housing expansion, but there has been no outreach to explain the components of this program and how it might benefit residents. Upon further investigation, the Civil Grand Jury learned that the adoption of this program will shift the payment of this fee from developers to new homebuyers, which may result in slight property tax increases over approximately 20 years for future homeowners. The proposed benefit to customers would be to theoretically lower housing prices, since developers would not need to add developmental impact fees to the price of each house. At a board meeting in April, one board member raised the question of whether homeowners would see the benefits of this program and if the developers would be compelled to lower their house prices in exchange for the elimination of their responsibility to pay the developmental impact fee, but the remaining board members declined to address this potential issue.

Transparency from Within

The current rate study (2024) was compiled by Raftelis, a company contracted by Sunnyslope to help define current and future water rates. When the Civil Grand Jury posed questions about the Raftelis report, which served as the blueprint for setting water rates, several interview participants had difficulty explaining the rationale for how rates were calculated or describing the methodology that Raftelis used. According to interviews, Raftelis did not provide the calculation templates used in developing the report, which hindered management's overall understanding. As a result, Sunnyslope management and the public cannot fully analyze the specifics of the report.

At the April 28, 2026, Board of Directors meeting, the General Manager shared information about work that is being considered between Sunnyslope and the City of Hollister. Further investigation by the Civil Grand Jury revealed information about a contract outlining consulting services that Sunnyslope will provide to Hollister over two years for a \$40,000 fee. Records do not indicate whether the Sunnyslope Board of Directors was informed about this contract prior to its signing. According to an interview with a Board member, contracts exceeding an unspecified amount are supposed to be signed by the Board president and are subject to Board review. The Civil Grand Jury later confirmed that the approval threshold was \$15,000, which indicated that the contract needed to come before the Board for approval.

A clear process exists when hiring union workers at Sunnyslope; however, there does not appear to be a similar policy among management employees. While some management staff were hired after the district conducted an outside search procedure and traditional interviews, others were promoted from within without a formalized process. Providing advancement opportunities for existing employees appears reasonable, but the lack of structure and only verbal assurances has led to employee confusion and anxiety.

Our interviews revealed discrepancies with how certain activities were perceived by various members of management and the Board. There were differences of opinion among the individuals interviewed about the termination of a contract between Sunnyslope and San Benito Foods in Hollister. The differences involved the reasons why the contract was not renewed and who bore greater responsibility for its termination. There was also evidence that Sunnyslope's management is unaware that the conflict among members of the Board from the fall 2025 Board meetings has not yet been fully resolved and that these issues are likely to resurface.

While some of the communication issues found may not be significant on their own, there appears to be a recurring pattern of communication deficiencies that impact both public understanding and internal decision-making, impeding the ability to make informed decisions.

Summary

The Civil Grand Jury identified significant transparency concerns within Sunnyslope. The lack of transparency stems from two factors: inconsistencies in the implementation of processes and policies, and a communication approach that often omits pertinent details for the public, staff, and the Board. This approach to communication may be inconsistent with Proposition 218 requirements and related provisions of the California Constitution. Inconsistencies with the process of obtaining easements have resulted in awards given to landowners that do not always match the assessed value of their land. Bypassing clear conflict-resolution steps has led to conflict within the board, and this inconsistency has the potential to perpetuate further conflicts. Finally, communication issues among Sunnyslope employees, board members, and the general public are impairing Sunnyslope's ability to function fully as an open, transparent agency.

Findings & Recommendations

F1: Sewer rates were changed without the public notice required under Proposition 218.

R1. Review and, if necessary, suspend implementation of the revised sewer rates pending compliance with Proposition 218 notice requirements. To be implemented by August 19, 2026.

R1A. Rebate or credit back any increase of sewer charges to impacted customers. To be implemented by August 19, 2026.

R1B. In alignment with Proposition 218, begin the process to raise sewer rates, including a 45-day public notice, a public hearing, and the creation of an official ordinance by the Board. To be implemented by August 19, 2026.

R1C. Update the Sunnyslope website to reflect new sewer rates once the ordinance has passed. To be implemented by August 19, 2026.

F2: The easement acquisition process appears inconsistent and may not fully align with established procedures.

R2. All contracts for easements should be made available to the Board in writing prior to approval. To be implemented by August 19, 2026.

R2A. The board should take a more active role in the development of contracts on behalf of Sunnyslope, such as developing a detailed set of procedures for the General Manager to follow. To be implemented by August 19, 2026.

R2B. The current easement contracts should be immediately available to the public. To be implemented by August 19, 2026.

F3: The decision by the Sunnyslope Board to bypass the established steps in conflict resolution contributed to additional conflict among Board members and the airing of grievances in the public forum.

R3: All policies and steps for dispute resolution need to be followed. To be implemented by August 19, 2026.

R3A: In the event that the established conflict resolution policy needs to be amended, an

agreement between board members needs to be reached within the confines of Board meetings. To be implemented by August 19, 2026.

F4: Communication and transparency issues are significantly affecting interactions among Sunnyslope management, staff, Board members, and the public.

R4. Management needs to give staff clear direction when policies, prices, or procedures change by putting them in writing. To be implemented by August 19, 2026.

R4A. The Board of Directors should conduct training so that the general manager and the Board are familiar with the Sunnyslope County Water District Policy Manual. To be implemented by August 19, 2026.

R4B. Using the Sunnyslope website, news sources, and social media, notify the public concerning new programs and initiatives. To be implemented by August 19, 2026.

R4C. The Board should approve the use of recordings at Board and committee meetings. These recordings should be retained and posted on Sunnyslope's website so the public can participate in the process. To be implemented by August 19, 2026.

F5: When the general manager is negotiating contracts, such as those for the easements and the contract with the City of Hollister, the Board is not receiving all of the pertinent details.

R5: Management needs to follow established policies for communicating with the Board so that they receive information regarding contracts or changes to contracts. To be implemented by August 19, 2026.

F6: When Sunnyslope creates a recording of a Board meeting, it becomes a public record, subject to CPRA and the Brown Act. Sunnyslope currently records Board meetings; however, the existence and availability of these recordings are not clearly communicated to the Board or the public.

R6: Sunnyslope should immediately post all Board and committee meeting audio recordings within its possession on its website. To be implemented by August 19, 2026.

F7: Sunnyslope accepted an outside rate study that did not include methodology templates from the contractor, which hindered their ability to fully analyze the recommendations within the report.

R7: Require, as a stipulation, outside contractors to provide methodology templates to management. To be implemented by August 19, 2026.

F8: Current hiring practices for management positions are creating confusion within the District.

R8: Develop a clear hiring process for management to include written agreements when promoting from within the organization. To be implemented by August 19, 2026.

RESPONSES REQUIRED

The following responses are required, pursuant to Penal Code sections 933 and 933.05, from the following governing boards within 90 days:

Sunnyslope County Water District Board of Directors

INVITED RESPONSES

The following individual is invited to respond:

Sunnyslope County Water District General Manager

Disclaimer: This report was issued by the Civil Grand Jury, except for **Steve Wittry**, who is a former employee of the San Benito County Water District. This Civil Grand Juror did not participate in any aspect of the investigation, including interviews and deliberations, the preparation and writing of this report, or the approval of the report.