

January 9, 2017
Special Meeting
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in special session on Monday, January 9, 2017 at 6:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President John Tobias, Vice President Joe Tonascia and Directors Sonny Flores, Frank Bettencourt and Bob Huenemann. Also present were District Manager/Engineer Jeff Cattaneo, Assistant Manager Sara Singleton, Deputy District Engineer Garrett Haertel, Water Conservation Program Manager Shawn Novack, Water Distribution/Maintenance II Michael Craig, Water Resources Technician I Dustin Franco and Board Clerk/Office Specialist III Barbara Mauro. District Counsel David E. Pipal was absent.

CALL TO ORDER

President Tobias called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

President Tobias led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

With a motion by Vice President Tonascia and a second by Director Flores, the agenda was unanimously approved.

AGENDA ITEMS:

1. Proof of Publication submitted on Notice of Public Hearing, Annual Groundwater Report

Mrs. Mauro verified the proof of publication.

2. Public Hearing regarding 2016 Annual Groundwater Report

Mr. Cattaneo began by reporting, due to the recent rainfall, Hernandez Reservoir now has 2200 AF of water as of today.

Mr. Cattaneo stated he wished to thank the District staff, Garrett Haertel, Michael Craig and Dustin Franco for their hard work for the Annual Groundwater Report. District staff collect groundwater and water quality data that is essential for the report. He then introduced Iris Priestaf and Maureen Riley, from Todd Groundwater, who will present an overview of the report.

a. Presentation of Report

Ms. Priestaf began with a review of the agenda for the presentation. She also acknowledged her team at Todd Groundwater which included not only Ms. Riley, but Chad Taylor and Gus Yates.

Ms. Priestaf, using a PowerPoint presentation, reviewed the 2016 water year. She expressed concern about a slow recovery as we seem to have a normal rainfall thus far, but recent years have only had a 5% CVP allocation. Ms. Priestaf stated groundwater use remained constant and was 83% of the supply. Due to the

uncertainty, having the best data is essential for this report. Also, over this past year, Ms. Priestaf stated SGMA (Sustainable Groundwater Management Act) has evolved with plans and agencies. Average rainfall for our area is 13" annually, however; in reviewing the last 10 years, Ms. Reilly has determined during that period of time the average rainfall was only 9.5' annually.

Ms. Reilly stated the total water usage for 2016 was 40,000 acre feet which has been about the same over the last 3 years. Municipal conservation has maintained a lower demand over the past year and the District began serving recycled water for agricultural use last year, which totaled approximately 500 acre feet. The Groundwater level is declining in some areas, due to the drought, and recovery may be a slow process.

Ms. Reilly reported this is a triennial update on water quality and the report focuses on TDS (total dissolved solids), nitrates and but also includes some discussion on hexavalent chromium. The report, per Ms. Reilly, does fulfill the requirements of the District's Salt and Nutrient Management Plan. One issue encountered is there are less monitoring wells in which to gather data from. Ms. Reilly reviewed the TDS and nitrate levels. There was also discussion about a septic system failure and a possible link to an increase in the nitrate level in that area. Mr. Cattaneo added, near the City of Hollister's wastewater treatment plant, the nitrate levels are dropping; Ms. Reilly stated that is correct.

Director Huenemann asked about the septic system failure. Ms. Reilly stated there was a test well for the City of Hollister near a site that had a septic system failure and the hypothesis was that may have contributed to the high nitrate level. Discussion ensued about nitrates coming from septic tanks but regular usage would not cause the levels shown near this test well.

Ms. Priestaf reviewed the outlook. While our area returns to good rainfall the CVP allocation is still uncertain and the groundwater storage needs to be replenished. One of the recommendations is for the District to apply to become a Groundwater Sustainability Agency (GSA), as the District is the recognized leader in groundwater basin management in this area. Ms. Priestaf added, becoming a GSA will also improve the District's chances for grant funding. If our area has no GSA, the State Water Regional Control Board (SWRCB) could put us on probation and charge groundwater users fees to cover the costs. If the District does a GSA and a GSP (Groundwater Sustainability Plan), Ms. Priestaf stated the District would be exempt from CEQA (California Environmental Quality Act).

Ms. Priestaf then reviewed the steps needed to form a GSA which are:

- 1) Prepare an application package for the DWR (Department of Water Resources);
- 2) Hold Public Meetings;
- 3) Coordinate agreements with Santa Clara Valley Water District;
- 4) Adopt a resolution for the GSA;
- 5) Notify DWR and upload the packet.

Ms. Priestaf stated the next step would be to pursue funding, as there were will costs associated with preparing a GSP. Because the District has a Groundwater Management Plan in place, it can levy fees. Also discussed were grants through DWR (applications are due in the summer of 2017) and total \$76 million and the California Water Commission (applications due in December 2017) and they total \$2.7 billion.

In conclusion, Ms. Priestaf stated the recommendations from the report are: the groundwater charges for Ag should be \$6.45 per acre foot and \$24.25 for M & I. Also, focus should be on replenishment of the declining groundwater levels in the San Juan and Hollister West areas, increasing monitoring networks, work on becoming a GSA and cooperating with our neighboring agencies, Santa Clara Valley Water District and Pajaro Valley Water Management Agency.

b. Questions of Directors

Director Huenemann asked why the District is losing monitoring wells. Mr. Cattaneo replied it is because most of our network of monitoring wells are 80-100 years old and the casings are failing. Mr. Haertel and Mr. Craig are working with owners to get replacements for the monitoring wells that we have lost. Director Huenemann further asked if the pumps had to be pulled in order to monitor the groundwater levels. Mr. Cattaneo replied no, staff usually can drop a probe into the well.

President Tobias asked about the timing for the GSA. If the grant funding deadline is in June, are we being too slow? Ms. Priestaf stated that is the deadline but the District does has some of the necessary items already. Mr. Cattaneo added that one action the Board can take tonight will be to authorize staff to move forward with the GSA application for DWR. He added it will be close but the District can be working on the GSA application as well as the grant application simultaneously.

Ms. Priestaf encouraged the District to start on the GSA as soon as possible. Ms. Reilly added DWR is saying exclusive GSA's will have a leg up in regards to the grant funds they will be offering.

c. Open Public Hearing

President Tobias opened the Public Hearing.

d. Close Public Hearing or continue to later date

President Tobias, seeing no questions from the public, closed the Public Hearing.

3. Acceptance of 2016 Annual Groundwater Report

a. Consider Adoption of Statement of Findings and Recommendations

With a motion by Vice President Tonascia and a second from Director Bettencourt, the Board of Directors unanimously Adopted the Statement of Findings and Recommendations of the 2016 Annual Groundwater Report.

- b. **Consider Acceptance of 2016 Annual Groundwater Report**
With a motion by Vice President Tonascia and a second by Director Huenemann, the Board of Directors unanimously Accepted the 2016 Annual Groundwater Report.

4. **Discuss and Consider Directing Staff to submit an application to the California Department of Water Resources to become a Sustainable Groundwater Management Agency**

Mr. Cattaneo stated this item's purpose and need was covered during the Annual Groundwater presentation. The Board's action, if they wish, would be to direct staff to prepare an application for DWR for a GSA and to bring a resolution to the Board which would accompany the packet to the State, once the packet has been completed. Mr. Cattaneo stated the next steps following this, would be to schedule the required public meetings.

Ms. Priestaf added Todd Groundwater can begin working on this once approved.

Mr. Cattaneo stated it could also be at the pleasure of the Board, to have a Special Meeting to consider the resolution once the packet is complete, rather than waiting for the next regular meeting. Vice President Tonascia asked why the resolution could not be approved at the January 25, 2017 meeting. Mr. Cattaneo stated that could be done, if that is the Board's decision. Ms. Priestaf added once the resolution is approved, she believes the District would only have 60 days in which to submit the application.

With no further questions, a motion was made by Director Flores and seconded by Director Bettencourt, the Board of Directors unanimously Directed Staff to submit an application to the California Department of Water Resources to become a Sustainable Groundwater Management Agency.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 6:47 p.m.

The minutes were approved at the January 25, 2017 Board Meeting and signed by the presiding board member.

/s/John Tobias
John Tobias, President

/s/Barbara L. Mauro
Barbara L. Mauro, Board Clerk