

January 12, 2015
Special Meeting
6:02 p.m.

The Board of Directors of the San Benito County Water District convened in special session on Monday, January 12, 2015 at 6:02 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Joe Tonascia, Vice President Sonny Flores and Directors John Tobias, Frank Bettencourt and Bob Huenemann. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel David E. Pipal, Assistant Manager Sara Singleton, Deputy District Engineer Dale Roskamp, Water Conservation Program Manager Shawn Novack, Water Resources Technician Michael Craig and Office Specialist III Barbara Mauro.

CALL TO ORDER

President Tonascia called the meeting to order at 6:02 p.m.

PLEDGE OF ALLEGIANCE

President Tonascia led the Pledge of Allegiance.

AGENDA ITEMS:

1. Allowance of Claims

With a motion by Director Bettencourt and a second by Director Tobias, the Board unanimously approved the Allowance of Claims.

2. Discuss and Consider Consultant Cost Sharing Agreement between San Benito County Water District and Santa Clara Valley Water District for the analysis of Pacheco Pass Water District Reorganization and Authorize District Manager to Execute Agreement (\$50,000)

Mr. Cattaneo stated this is essentially the same agreement the Board approved previously. Santa Clara Valley Water District (SCVWD) added some additional language but the key points are the same; each District will pay up to \$25,000 and SBCWD will be the contracting agency.

Director Huenemann asked what the benefit of this is to the District. This reservoir, per Mr. Cattaneo, continues to benefit the north county area's water supply. Richard Bettencourt, a member of the audience and is on LAFCO, stated LAFCO will be considering this at its next meeting and are considering deferment. Mr. Cattaneo stated Mr. Braitman, San Benito County's LAFCO representative, has stated to him that LAFCO will recommend deferment until our District and SCVWD have done their analysis on PPWD and get back to LAFCO with a decision.

With no further questions, a motion was made by Director Tobias and a second by Director Bettencourt, the Board of Directors unanimously approved of the Consultant Cost Sharing Agreement between San Benito County Water District and Santa Clara Valley Water District for the analysis of Pacheco Pass Water District Reorganization and Authorize the District Manager to Execute Agreement (\$50,000).

3. Proof of Publication submitted on Notice of Public Hearing

Mrs. Mauro verified the publication of the notice of today's Public Hearing.

4. Public Hearing regarding 2014 Annual Groundwater Report

Mr. Cattaneo thanked both the District's engineering department for compiling the data for the report as well as Iris Priestaf and Maureen Reilly from Todd Groundwater for their work on the report.

a. Presentation of Report

Ms. Priestaf, of Todd Groundwater, thanked District staff for their efforts and stated along with she and Ms. Reilly, Gus Yates and Chad Taylor also contributed to the report. Ms. Priestaf began with an overview of the report. This is a stream lined report with a triennial update on the water balance. Ms. Priestaf stated 2014 was the driest year on record, with only 5.4" of rainfall. Groundwater use was up, mostly due to the CVP Ag allocation being 0% and the allocation is expected to be the same this coming water year. Also, Ms. Priestaf stated she will later discuss the Sustainable Groundwater Management Act, approved in September 2014 but went into effect on January 1, 2015.

Ms. Reilly, also from Todd Groundwater, discussed the local water sources for the basin. Groundwater levels did drop, mainly due to the CVP allocation but, the District was able to allocate 7500 AF from storage and water transfers. CVP allocations were low for the third year and Ag groundwater use was higher. Ms. Reilly stated total water use in the basin was essentially the same as 2013, but CVP use was lower, which equated to groundwater use being higher. There was a dramatic decline of 40' in the Bolsa area in groundwater levels.

Regarding the water balance, Ms. Reilly stated 2012-2014 was a very dry period, which showed low inflows and high outflows. The last full water allocation to the District was 2006. Ms. Reilly stated the unknowns for the water balance are:

- Actual crops planted in a given year
- Amount of uptake of water by crops
- Need for a numerical model update that better defines the basin

President Tonascia asked if it is based solely on evaporation transfer (ET) or water efficiency. Ms. Reilly stated just on crop coefficients and it is a complicated process with a lot of variables.

Director Tobias asked if they survey types of irrigation. Ms. Reilly stated no, its based more on pumping data.

Director Huenemann asked, regarding the types of crops, what was their source, the Ag Commissioner? Ms. Reilly stated no, not the Ag Commissioner, but previous land use maps were used.

Ms. Priestaf discussed the outlook for 2015. The rainfall, according to the Cimis Station, is 7.8" so far. The anticipated initial allocation for Ag for CVP will most likely be 0% and the basin needs to be replenished.

Ms. Priestaf reviewed the Groundwater Sustainability Management Act. She stated it is good the District is already measuring groundwater pumping. Ms. Priestaf reported it will be more important than the 1994 Act and one of the requirements will be to create a Groundwater Sustainability Agency. There are currently 515 groundwater basins in the state and they were ranked based on criteria developed by the Department of Water Resources (DWR). If the District was not to form such an agency, the default would be San Benito County to oversee the basin. In addition to sustaining the basin, Ms. Priestaf stated it will be an opportunity to revise the basin boundaries and clear the boundaries, parcel by parcel. Ms. Priestaf stated by 2022, the Gilroy-Hollister Basin will need to have a Groundwater Sustainability Plan and she reviewed the criteria that will be needed.

In conclusion, based on the District's Annual Groundwater Report, these are the recommendations:

1. Groundwater Charges
\$3.60 for Ag, \$23.25 for M & I
2. New or Calibrated Groundwater Use Meters
3. Groundwater Sustainability Agency
4. Groundwater Production and Replenishment

b. Questions of Directors

Director Tobias asked if the state is mandating this at the local levels (referring to the Groundwater Sustainability) what is the state being required to do. The state is pushing this, but this is our third year where our Ag allocation has been reduced or is at 0%. Ms. Priestaf stated this District was in overdraft in the 1970's, but due to the introduction of the CVP water, it brought back the groundwater levels. Ms. Reilly added the Department of Water Resources (DWR) will be required to get a report out, naming the criteria and requirements. Ms. Priestaf stated the water that is available will also have to be in the report.

Director Bettencourt asked if the District becomes a Groundwater Sustainability Agency, will that change our zones or boundaries. Ms. Priestaf stated yes, it could change the basin boundaries or perhaps add a new one.

Director Huenemann asked, on page 37, the Ag outflow shows 27, 362 AF; is that correct. Ms. Reilly stated that is an estimated number. Director Huenemann further asked, on page 18, the Ag usage is 29% higher. Mr. Cattaneo replied two different methods are used for calculating water use; one is ET and the other is measured wells; both methods have variables. Director Huenemann asked about the inconsistency. Mr. Cattaneo cautioned stating assuming one method is accurate and one is not would be unwise as both methods are an approximation with unknown variables. Ms. Reilly added both methods have variables. Director Huenemann asked how long has the District known about the discrepancy. Ms. Reilly stated this would be the first year, as they used a different methodology and comparing it to the land use map of 2010, it was in a reasonable range.

c. Open Public Hearing

President Tonascia opened the public hearing.

Ken Nabal, a member of the audience, asked about the mandate for the Groundwater Sustainability Act; will the state offer any funds. Ms. Priestaf stated the water bond that was approved at the last election, will provide some funding, possibly through grants. Mr. Nabal asked what the budget and criteria might be. Ms. Priestaf stated the state will put out the document for the grant funds; the state has a good process and this District is very familiar with it. Mr. Nabal added it will be important to have public input on this subject. He asked if it will include stakeholders. Ms. Priestaf replied the intent will be to use the stakeholder process, including outreach, public workshops and meetings.

Bob Swanson, another audience member, gave a brief history on the District, going back to 1953. He feels the District has done a good job with the water balance and asked Ms. Priestaf, in regards to sustainability, is SBCWD ahead of the game. Ms. Priestaf stated yes. She added that the imported CVP water is highly important to the sustainability for the basin.

Mr. Cattaneo further added that in the portion of the basin the District is actively managing, the groundwater levels only dropped 10-12', but the Bolsa area dropped 40-50' in the same time frame. The portions of the basins we manage, per Mr. Cattaneo, are in excellent shape.

Mr. Nabal asked if the Annual Groundwater Report is a state or District requirement. Ms. Priestaf stated plenty of agencies don't do reports, but the District's water code does provide for the Board to prepare an annual groundwater report. She did add that agencies larger than the District do regularly do these types of reports.

Director Tobias stated the District stays on top of these sources; a prime example would be agenda item #2 tonight, Pacheco Pass Water District. The District is always looking for other water sources.

Director Huenemann asked if the water balance methodology changed, why they should only be a water balance report every three years. Ms. Priestaf stated it was done annually before but no significant changes were found; it was up to the District to make the change. Ms. Reilly added the numerical model being used does need revision. Ms. Priestaf added the report does look at the water balances from 2 completely different directions.

Mr. Cattaneo stated it would be good to update the groundwater model, but it not a simple or inexpensive task; this update could cost at least \$100,000 to \$150,000. Mr. Cattaneo stated the District could consider the triennial water balance and decide on what special study to do for next year. It is most important for the District to secure additional imported water and use local water sources, such as Hernandez Reservoir, though Hernandez offers limited benefit during a drought.

d. Close Public Hearing or continue to later date

President Tonascia closed the Public Hearing.

5. Acceptance of 2014 Annual Groundwater Report

a. Consider Adoption of Statement of Findings and Recommendations

With a motion by Director Tobias and a second by Director Flores, the Board of Directions unanimously adopted the Statement of Findings and Recommendations.

b. Consider Acceptance of 2014 Annual Groundwater Report

With a motion by Vice President Flores and a second by Director Bettencourt, the Board of Directors unanimously accepted the 2014 Annual Groundwater Report.

6. Adjourn

With no further business to discuss, the meeting was adjourned at 7:32 p.m.

Minutes were approved at the January 28, 2015 Board Meeting and signed by the presiding board member.

/s/ Joseph A. Tonascia
Joseph A. Tonascia, President

/s/ Barbara L. Mauro
Barbara L. Mauro, Recording Secretary