

January 31, 2018
Regular Meeting
6:03 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, January 31, 2018 at 6:03 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 Garrett Haertel, Supervising Accountant Natalie Sullivan and Board Clerk/Office Specialist III Barbara Mauro.

CALL TO ORDER

President Tonascia called the meeting to order at 6:03 p.m.

- a. **Pledge of Allegiance to the Flag**
President Tonascia led the Pledge of Allegiance.
- b. **Speakers will be limited to 5 minutes to address the Board; rebuttal will be limited to 3 minutes; no new business agenda items will be heard after 9:00 p.m.**
- c. **Approval of Agenda**
With a motion by Director Bettencourt and a second by Vice President Flores, the Agenda was unanimously approved.
- d. **Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda**
There were no public comments.

CONSENT AGENDA:

1. **Approval of Minutes for: December 20, 2017 Regular Meeting**
2. **Allowance of Claims**
3. **Acceptance of Quarterly Investment Report, December 31, 2017**

With no questions from the Board, a motion was made by Director Huenemann and seconded by Director Tobias; the Consent Agenda was unanimously approved.

REGULAR AGENDA:

4. **Presentation by Matteo Crow, Campaign Coordinator for the Water Supply and Water Quality Initiative**

Matteo Crow gave a presentation to the Board via a PowerPoint. Mr. Crow stated this initiative would be similar to the Prop 1 funding but it would also include SGMA implementation funding. Mr. Crow gave examples of the wide variety of support this initiative has already received. It would be \$8.77 billion and would be below 5% of the General Fund. He also gave an overview of the bill and what areas would be included.

Mr. Cattaneo asked if this initiative had the support of the North and South Delta Water Contractors. Mr. Crow stated no, but they are working on it.

Director Bettencourt asked if there is any funding for dams. Mr. Crow no, only some funding for the Oroville Spillway. Director Bettencourt further stated our State needs more storage with the water demand going up.

Director Tobias asked what staff thought of the initiative. Mr. Cattaneo replied it's not a bad idea but he wishes it was more specific. Director Tobias further asked where Santa Clara Valley Water District's funding is coming from. Mr. Cattaneo stated from Prop 1.

District Counsel asked where the Bond language is. Mr. Crow stated he will get it to Mr. Cattaneo. Director Tobias suggested the District get the exact bond language, take this item to committee and then it can come back to the Board.

Mr. Wirz, President of the Farm Bureau, asked how the underground water would be recharged without storage. Mr. Crow stated Prop 1 concentrated on surface water. Mr. Crow also discussed other ways to recharge the groundwater. Mr. Wirz added some citizens might have a problem with another bond when the State is in need of more storage.

a. Consider Resolution Endorsing the Water Supply and Water Quality Act of 2018

With a motion by Director Tobias and second by Director Bettencourt, the Board of Directors unanimously agreed to table this item for further clarification.

5. Consider Resolution Approving an Interim Policy to Reduce the Agricultural Water Rate for Water Year Commencing March 1, 2018

Mr. Cattaneo stated last year, based on the District's water supply, the Board elected to reduce the Agricultural rate. He added the District didn't sell the amount anticipated, partly due to the shutdown of half of the system. Two years ago, Mr. Cattaneo stated staff did a rate study in order to set the rate structure. If the revenue is figured on a 30% Ag allocation, staff feels the proposed reduced rate, for Ag only, will be sufficient. Staff and the Zone 6 Water Supply Committee are recommending an Ag rate of \$209/acre foot, will a sunset of February 28, 2019.

With no questions from the Board, a motion was made by Director Tobias and seconded by Vice President Flores, Resolution #2018-01, *A Resolution of the Board of Directors of the San Benito County Water District Approving an Interim Policy to Reduce the Agricultural Water Rate for Water Year Commencing March 1, 2018* was unanimously approved.

6. Discuss and Consider modification of District Agricultural and Municipal and Industrial water contracts to include a penalty for late allocation reduction

Mr. Cattaneo stated it is District Policy that at the end of July each year, contract customers are billed for the rest of the contract and that is their final opportunity to reduce their allocation. As of late, customers are stretching the date as late as February, to return their unused water. Mr. Cattaneo stated this creates an issue for the District to manage the water. If he doesn't know early enough, the District can't transfer or percolate this extra water. Mr. Cattaneo reviewed the proposed wording for penalties for late return of water that would be included in this year's water contracts,. He added, in

the future if there is available storage, he may again offer rescheduling of unused water and will let District customers know by August for planning purposes.

With no questions from the Board, a motion was made by Vice President Flores and a second by Director Bettencourt; the Board of Directors unanimously approved of the modification of District Agricultural and Municipal and Industrial water contracts to include a penalty for late allocation reduction.

7. Consider Authorizing the District Manager to purchase a Backhoe based upon quotes received

Mr. Haertel stated our current backhoe exceeds the allowable threshold for California Air Resources Board (CARB) Off-Road Diesel Fueled Fleets Regulation compliance. Staff went out to bid for a new backhoe and received 3 bids. Mr. Haertel reported Pape Machinery was the low bid. Staff recommends also securing the extended warranty which offers an additional 4 years, which covers the hydraulics and the drive train and also an attachment. With the additions proposed, Mr. Haertel is requesting the Board approve the purchase, NTE \$120,000.

Director Tobias asked if it comes with new buckets or attachments. Mr. Haertel stated the attachment that the District would like to purchase with it, would allow staff to use some of our current pieces and it also would have an extended-hoe and 4 wheel drive. Director Tobias further asked what type of bucket. Mr. Haertel stated a 4/1 bucket. The new backhoe is a tier 4; our current backhoe is a tier 0.

Mr. Pipal asked if entire bid would be \$120,000. Mr. Haertel stated, yes, and even with the add-on's, Pape Machinery is still the low bidder.

With a motion by Director Tobias, with a cost not to exceed \$120,000, and a second by Director Bettencourt, the Board of Directors unanimously authorized the District Manager to purchase a Backhoe based upon quotes received.

8. Committee/Agency Representative Reports:

a) San Luis Delta Mendota Water Authority (Tobias/Tonascia)

As Director Tonascia, this will be covered under the District Manager's report.

b) Mid Pacific Water Users Conference in Reno, Nevada, January 17-19, 2018

Mr. Haertel and Director Tonascia attended. Mr. Haertel found the conference informative and there were good meetings with the Bureau. Director Tonascia also found the conference interesting. He said there was very little snow except near the top, so it's pretty dry there too. The Temperance Flat project was discussed and Santa Clara Valley Water District (SCVWD) discussed the Pacheco Pass Reservoir project.

c) Investment Committee (Flores/Tobias)

As per Director Tobias, this has already been covered.

d) Zone 6 Water Supply Committee (Tobias/Flores)

As per Directors Tobias and Flores, this has also been covered.

9. District Manager/Engineer's Report:

a) Reach 1 Operations

Mr. Cattaneo reported the District is all back on-line; however, SCVWD is still out of service. The work all went well and the new valves the District wanted to install on our side are all in place. The next quarterly meeting with SCVWD is February 14th.

b) Zone 3 Operations

Mr. Cattaneo stated he has nothing to report at this time as there isn't any water.

c) Zone 6 Operations

Mr. Cattaneo reported District staff continues to put water in San Justo Reservoir and he believes it will be full by February 28th, in time for the new water year, March 1st. 130,000 AF will be the storage limit for all South of Delta water contractors in San Luis Reservoir, so there will be a loss of water. The District has about 3000 AF of rescheduled water.

Director Tobias asked why any of the CVP contractors can't use any of the State portion of storage in San Luis Reservoir. Mr. Cattaneo replied there is no allowance being made to encroach on the State's storage.

d) San Luis Delta Mendota Authority Activities

Mr. Cattaneo reported there was discussion on the Temperance Flat project, which would be an activity agreement through the Authority. The Authority is looking for \$100,000 (1 share). The amount the District would pay would be based upon the number of agencies who agree to participate.

Director Tobias asked what participation would offer the District. Mr. Cattaneo reported it is hard to say, but hopefully more water. Mr. Cattaneo asked if the Board is interested in moving forward at this point and the Board agreed to have Mr. Cattaneo pursue this.

10. Adjournment

With nothing further to report, the meeting was adjourned at 7:00 p.m.

Approved at the February 28, 2018 board meeting and signed by the presiding board member.

/s/Joe Tonascia
Joe Tonascia, President

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