

February 25, 2015
Regular Meeting
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, February 25, 2015 at 6:00 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 Rosskamp, Supervising Accountant Natalie Sullivan, Water Programmer III Anne Stull, Consultant Harry Blohm and Office Specialist III Barbara Mauro.

CALL TO ORDER

President Tonascia called the meeting to order at 6:00 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 Flores and a second by Director Tobias, 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: January 28, 2015 Regular Meeting**
- 2. Allowance of Claims**
- 3. Acknowledgement of Paid Claims prior to the February Board Meeting**

Director Bettencourt asked what the charge of \$3888 for Bolsa Analytical is for. Mr. Cattaneo stated it is for about 20 water quality samples that must be taken for groundwater testing.

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

REGULAR AGENDA:

- 4. Public Hearing regarding 2015-2016 Groundwater Charges**
 - a. Proof of Publication submitted for Notice of Public Hearing**
Mrs. Mauro verified the proof of publication.
 - b. Presentation of 2015-16 Groundwater Charges**
Mr. Cattaneo stated the District, through the Prop 218 process, approved 2 years of rates for groundwater. The District Act states the Board must reaffirm the rates

annually. Mr. Pipal added, the Board is only confirming the rates already in place.

c. Open Public Hearing

President Tonascia opened the public hearing; there were no public comments.

d. Close Public Hearing or continue to later date

President Tonascia closed the public hearing.

e. Consider Confirming of the 2015-2016 Groundwater Charges

With a motion by Vice President Flores and a second by Director Bettencourt, the Board of Directors confirmed the 2015-2016 Groundwater Charges by 4 affirmative votes (Tonascia, Flores, Tobias & Bettencourt) and 1 abstention (Huenemann).

5. Discuss and Consider Resolution Establishing the District's Policy for Inter-Subsystem Water Transfers for the 2015-2016 Water Contract Year

Mr. Cattaneo stated annually the Board of Directors reviews the inter-subsystem water transfers. This year's resolution is the same as what was approved last year, just the dates were updated. When North County and the San Juan Valley had high groundwater levels, the Board limited the amount of transfers into these areas. Two years ago, due to the drought, the Board removed these limitations.

With no questions from the Board, a motion was made by Director Bettencourt and seconded by Director Tobias; Resolution #2015-01 *A Resolution of the Board of Directors of the San Benito County Water District Establishing the District's Policy for Inter-Subsystem Water Transfers for the 2015-2016 Water Contract Year* was unanimously approved.

6. Discuss and Consider Resolution Setting Forth the District's Intentions Regarding Percolation of San Felipe Project Water for Water Contract Year 2015-2016

Mr. Cattaneo stated this is an annual event, to set forth the District's intention to percolate. With the water allocation likely to be -0- for Ag and 50% of historical use for M & I, there may not be any water to percolate. In past years, Mr. Cattaneo stated Zone 3 has percolated into Zone 6. Staff and the committee are recommending keeping the practice in place.

With no questions from the Board, a motion was made by Vice President Flores and seconded by Director Tobias; Resolution #2015-02 *A Resolution of the Board of Directors of the San Benito County Water District Setting Forth the District's Intentions Regarding Percolation of San Felipe Project Water for Water Contract Year 2015-2016* was unanimously approved.

7. Discuss and Consider Amending Resolution #2014-17 Establishing an Interim Policy for Rescheduling of Unused/Conserved Water

Mr. Cattaneo stated in September 2014, the Board approved Resolution #2014-17 which gave the water rescheduling guidelines. These guidelines did not include small parcel ag customers. With the Bureau allocation likely to be -0-, staff and the committee are

recommending having a 1 year exception to allow small parcel ag customers to carry over any unused/conserved water.

Director Tobias asked if the rest of the guidelines stayed the same. Mr. Cattaneo stated yes. The draft resolution adds small parcel ag customers to rescheduling but with no minimum. Previously, rescheduled water had to be a minimum of 1 acre foot.

Mr. Pipal pointed out an error in the resolution, which needs to be corrected. The Resolution states it is amending Resolution #2014-07 not #2014-17,

Noting the correction, a motion was made by Director Tobias and seconded by Director Bettencourt, Resolution #2015-03 *A Resolution of the Board of Directors of the San Benito County Water District Amending Resolution #2014-17 Establishing an Interim Policy for Rescheduling of Unused/Conserved Water* was unanimously approved.

8. Discuss and Consider Authorizing the District Manager to Execute a Contract with Todd Groundwater in an Amount of \$55,090 to Update the District Groundwater Model and Perform Modeling Analysis to Evaluate Impacts of North Fork Reservoir Operations on North County Groundwater Conditions

Mr. Cattaneo stated that during the presentation of the Annual Groundwater Report, the consultant suggested the District update the groundwater model for North County and include the areas with Pacheco Pass Water District. Mr. Cattaneo stated we could evaluate areas the District could use for future water banking. Due to the research Jeff Micko has done, the expense for this will be much less than originally expected.

Director Huenemann asked if the work Mr. Micko did was for Santa Clara County, does that mean we only need to do San Benito County. Mr. Cattaneo stated the models extend into Santa Clara County. Mr. Cattaneo added political boundaries do not coincide with water boundaries, which is why it will be important to have Santa Clara County's data to update the model. Director Huenemann asked if we have the updated model in the computer, who owns this information. Mr. Cattaneo stated it would belong to the District. Mr. Cattaneo added updating the groundwater model is very important as there has been significant changes from 2005 to 2014.

With no further questions, a motion was made by Director Bettencourt and seconded by Vice President Flores, the Board of Directors unanimously authorized the District Manager to execute a Contract with Todd Groundwater in an amount of \$55,090 to update the District Groundwater Model and perform Modeling Analysis to evaluate imports of North Forth Reservoir Operations on North County Groundwater Conditions.

9. Discuss and Consider Contract to Todd Groundwater for the 2015 Urban Water Management Plan Update and Authorize District Manager to sign contract (NTE \$93,900)

Mr. Novack stated this update is required by the State every 5 years. He added this is a combined effort between the District, the City of Hollister (COH) and Sunnyslope County Water District (SSCWD). Mr. Novack stated this is a valuable tool as it discusses water supply and demand as well as drought contingency plans. He stated there

are new guidelines due out in July 2015, so the report deadline has been extended to July 2016. This report is coordinated through the Water Resources Association (WRA).

Director Bettencourt asked if there was grant funding for this and Mr. Novack stated there is not.

With no further questions, a motion was made by Vice President Flores and seconded by Director Tobias; the Board of Directors unanimously approved the contract to Todd Groundwater for the 2015 Urban Water Management Plan Update and authorized the District Manager to sign the contract.

10. Discuss and Consider Authorizing the District Manager to Execute the Memorandum of Understanding for the Bay Region Water Consortium – Career Pathways Grant Program

Mr. Novack reported there is an educational component to the WRA. This grant would allow him to expand his current program for which he targets 5th graders and extend it to the high school level. In addition to discussing water, he will also be required to discuss water industry careers. Mr. Novack feels this is a good opportunity for students.

Director Tobias asked what number of students Mr. Novack thinks will be reached. Mr. Novack stated a ball park number would be 240 as he hopes to reach San Benito High School, Anzar High School, San Andreas High School and the FFA. He would only be required to turn in a report and invoice on a quarterly basis for reimbursement.

Director Huenemann asked what the details will be. Mr. Novack stated he was waiting for Board approval of the grant and then he will speak with the principals of the schools for scheduling.

Mrs. Sullivan suggested working around Career Days at the schools.

A member of the audience asked where the grant money came from. Mr. Novack stated it is from the State. President Tonascia asked if there were any costs for the District in either a cost share or loan; Mr. Novack state no, it is strictly grant funds.

With no further questions, a motion was made Director Tobias and seconded by Vice President Flores; the Board of Directors unanimously authorized the District Manager to execute the Memorandum of Understanding for the Bay Region Water Consortium – Career Pathways Grant Program.

11. Staff Report on the Hollister Urban Area Water and Wastewater Master Plan Update

Mr. Blohm began with a report on the Lessalt Water Treatment Plant. The upgrades have been completed and the plant is operating. Testing began in December 2014 and all went well. There are two open issues that are being addressed but otherwise everything else is fine.

Regarding the West Hills Water Treatment Plant, Mr. Blohm reminded the Board that the construction management work will be done by Dahl Consultants. A meeting was held for the first constructability review, with plans of a report going to HDR by the beginning of March.

Mr. Rosskamp gave an update on the environmental issues at West Hills. The Federal Department of Fish and Game needs to accept and approve the biological opinion for West Hills as it is needed for NEPA (National Environmental Policy Act). Mr. Rosskamp stated the encroachment permit requires NEPA to be in place. Mr. Rosskamp also reported the District is hopeful to receive the Incidental Take Permit by the end of the month. Once this is received, he stated we can proceed with mitigation. Mr. Cattaneo added the next step from there would be coming back for Board approval, to issue a letter of credit for \$1.2-\$1.3 million, which would be issued to the California Department of Fish and Game (CDFW) for mitigation purposes.

Director Tobias asked if the cost had increased for mitigation from \$500,000-\$600,000 as previously discussed. Mr. Blohm stated the mitigation bank costs could be \$500,000-\$600,000 but the modification at the site is still not known. CDFW is probably going to require a \$1.3 million letter of credit. Mr. Cattaneo added the \$1.3 million would be for a worst case scenario.

Mr. Blohm concluded with a report on the Chromium VI. The item is a hot topic, the group is on schedule thus far and all options are being considered at this time.

12. Committee/Agency Representative Reports:

- a) San Luis Delta Mendota Water Authority (Tobias/Tonascia)**
As per Mr. Cattaneo, the budget was discussed and it's about 10% higher than last year. Also discussed was the Public Outreach Program and CAMT.
- b) Pajaro River Watershed Flood Prevention Authority (Bettencourt/Flores)**
As per Director Bettencourt, he did not attend the meeting.
- c) Water Resources Association (Flores/Bettencourt)**
As per Vice President Flores, basic information was discussed. Mr. Novack added the increase in public outreach was also discussed.
- d) Hollister Urban Area Water and Wastewater Master Plan Governance Committee (Tobias/Flores)**
As per Director Tobias, this has already been covered.
- e) Administration Committee (Tobias/Flores)**
As per Mr. Cattaneo, the Tranche 3 financing, using Sutter Securities was discussed as well as the Career Pathways Grant and the Urban Water Management Plan proposal from Todd Groundwater.
- f) Finance Committee (Bettencourt/Tonascia)**
As per Director Bettencourt, the 2nd Quarter Financials were reviewed.
- g) Zone 6 Water Supply Committee (Tobias/Flores)**
As per Director Tobias, the committee discussed the rescheduled water, Todd Groundwater's proposal for updating the groundwater model and percolation.

- h) Recycled Water Ad Hoc Committee (Flores/Bettencourt)**
As per Mr. Cattaneo, staff reviewed the recycled water program with the committee and what was given to the landowners at a meeting earlier in the month.

13. District Manager/Engineer's Report:

- a) Reach 1 Operations**
Mr. Cattaneo reported he had received the outline of the draft budget today and had an upcoming meeting with SCVWD to discuss it.
- b) Zone 3 Operations**
Mr. Cattaneo stated he had nothing to report.
- c) Zone 6 Operations**
Mr. Cattaneo reported the Bureau allocation will be -0- for Ag. In February, there was 400,000 AF in Shasta; it needs to be at 3 million AF. If the Bureau gives a late allocation, it will likely not be until the summer.
- d) San Luis Delta Mendota Authority Activities**
Mr. Cattaneo stated the budget for the coming year will be \$23 million.
- e) Pacheco Pass Water District**
Mr. Cattaneo reported that SCVWD returned the signed Cost Sharing Agreement. He has contacted GEI, for them to evaluate the North Fork Reservoir. He reminded the Board this will be a shared expense with SCVWD. The next LAFCO meeting will be in April. The next steps will be to get the report back from GEI, which should take about 60 days and also get the updated groundwater model from Todd Groundwater.

14. EXECUTIVE SESSION:

Conference with legal counsel—Existing litigation

Government Code 54956.9(a)

San Benito County Water District v. Randy McAlpine (CL-13-00437)

The Board of Directors went into Executive Session at 6:51 p.m.

15. OPEN SESSION:

Report action, if any

The Board of Directors returned to Open Session at 7:08 p.m.

As per President Tonascia, they had nothing to report.

16. Adjournment

With no further business to discuss, the meeting was adjourned at 7:09 p.m.

Minutes were approved at the March 25, 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