

March 26, 2014
Regular Meeting
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, March 26, 2014 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 and Joe Torquato; Director Frank Bettencourt was absent. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel David E. Pival, Assistant Manager Sara Singleton, Deputy District Engineer Dale Rosskamp, Consultant Harry Blohm and Office Specialist III Barbara Mauro.

CALL TO ORDER

- a. Pledge of Allegiance to the Flag**
President Tobias led the Pledge of Allegiance.
- b. Approval of Agenda**
With a motion by Vice President Tonascia and a second by Director Torquato, the agenda was unanimously approved.
- c. 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: Regular Meeting February 26, 2014**
- 2. Allowance of Claims**
- 3. Acknowledgement of Paid Claims prior to the March Board Meeting**

With a motion by Director Tonascia and a second by Director Flores, the Consent Agenda was unanimously approved.

REGULAR AGENDA:

- 4. Presentation by Jeff Micko, Micko Consultants, on the Asset Management Program developed for the District**
Mr. Cattaneo stated the goal of this project was to accurately manage our assets by evaluating each one, its condition and to set up a regular maintenance schedule. Mr. Cattaneo stated District staff has done a good job to date. Mr. Cattaneo added when he worked at Marina, a similar plan cost their district, with similar number of assets, approximately \$500,000. It has taken longer than expected, as there are more than 150,000 records.

Jeff Micko, of Micko Consultants, gave a presentation. He stated he began by inventorying the assets and establishing a hierarchy. There are 4200 assets in the data base, with an estimated replacement cost of \$200 million. Mr. Micko discussed how he

went about setting up a preventative maintenance schedule and a condition assessment. The schedule will be monthly, quarterly and annually. The maintenance schedule tracks staff time and completion of each task. A summary report will go to the supervisor. Mr. Micko stated Phase II will be more corrective maintenance tracking to allow asset maintenance history electronically and will include asset consumption, asset replacement and more annual reporting.

Mr. Cattaneo added risk will be assigned to each asset and it will be an important part to prioritize preventive maintenance. This will help forecast the District's needs and also help during the budgeting process.

Director Torquato asked if it will track historical costs. Mr. Cattaneo stated that is the ultimate goal in Phase II. Director Torquato stated it must take a lot of data entry work. Mr. Cattaneo stated it is done by the maintenance staff, while out in the field, and then compiled into the reports.

President Tobias asked how it works. Mr. Cattaneo stated Dave Meraz or Jeff Ray send work orders to the maintenance staff's computer and staff takes it from there.

Mr. Micko thanked District staff for all their hard work to implement this program.

Mr. Ray added this will be the basis for going forward. He stated it will be good having more regular inspections and that they include the details such as what needs to be done and when (i.e. monthly, quarterly and annually). Mr. Ray stated the log can be reviewed and can anticipate repairs and needed replacements. He added it gives a high level view of equipment and it will be a good tool for the District.

5. Discuss Solar Photo Voltaic Options for District offices

Mr. Cattaneo stated most solar energy systems will pay for themselves in about 8-12 years. Initial estimates, just for the office, are from \$160,000 to \$300,000. From what Mr. Cattaneo understands, it could reduce the PG&E bill to almost -0-. The system feeds power back into PG&E, so there is really no incentive to oversize the system. If the amount were \$160,000, with a note with interest of 2.75%, could be completely paid in 11 years and the system should last about 30 years. The Board stated it was a good idea and asked Mr. Cattaneo to look into it and report back to the Administration Committee.

6. Staff Report on the Hollister Urban Area Water and Wastewater Master Plan Update and Lessalt Water Treatment Plant Update

Mr. Blohm began with the report on the Lessalt Water Treatment Plant (WTP). Mr. Blohm reported we are in month 4 of construction. 1 tank has been installed and the smaller one will be in soon. Construction is on-schedule and going well. Mr. Blohm stated there has been about \$50,000 in change orders so far and about \$15,000 scheduled to come. Mr. Cattaneo stated the change order for materials for the pumps was caused by a new regulation that went into effect on January 1, 2014; it has to do with the lead content. This amounted to \$12,500 in the cost change. Director Torquato asked who caught this and Mr. Cattaneo stated the pump manufacturer caught it.

Regarding the West Hills WTP, staff received the status on the design. At this point, Mr. Blohm stated HDR has used less than 50% of the budget. Staff is pleased with the

progress and it remains on schedule. Unless permitted issues slow the schedule, staff anticipates going to bid in October or November 2014.

Mr. Rosskamp gave the board status on the California Environmental Quality Act (CEQA), National Environmental Protection Act (NEPA), the State of California Endangered Species Act and the Federal Endangered Species Act. Mr. Rosskamp reported the Administration Committee will review the Draft Environmental Impact Review (DEIR) in April and he hopes to bring it to the Board for approval at the April 30, 2014 Board Meeting.

Mr. Blohm stated the importance of everyone being sensitive to schedule slippage if it becomes necessary. Mr. Cattaneo added that moving forward with the design of the WHWTP is important, so we can meet the deadline for Prop 84 Grant, as the design has to be complete.

President Tobias asked when the next Governance Committee Meeting is. Mr. Blohm stated there will be one in April.

Mr. Blohm stated pursuing the reclaimed water project will be an important part of the grant application and staff is working with Lidia Gutierrez, our grant consultant, and we will be restarting this project. Mr. Cattaneo added that due to the drought, the state is offering \$800 million in Prop 84 grant funds for new projects. The stipulation will be the project has to be shovel ready by spring of 2015.

Mr. Blohm stated the next step will be having a new Memorandum of Understanding (MOU) between the District, the City of Hollister (COH), Sunnyslope County Water District (SSCWD) and San Benito County to continue the planning started in the Master Plan. Mr. Cattaneo added looking forward is important to all agencies. Mr. Blohm stated the Master Plan and the Coordinated Plan only take us to 2014. Mr. Blohm stated staff is recommending revisiting the planning requirements and re-examining the demands and growth. Mr. Ellis, from HDR, gave staff outlines today and the District as well as the COH and SSCWD agree this is an important piece for the future. The MOU target would be about September 2014 and the shared cost percentages will be the same as previously done. Mr. Blohm stated the goal will be start on the MOU after a Statement of Intent (SOI) is in place. Full planning can begin once the MOU is complete. Mr. Cattaneo added staff intends to tie in the agreement for recycled water between the District and the COH. Mr. Blohm stated nothing in the new SOI or MOU will supersede the previous MOU or the Water Supply and Treatment Agreement. There will be a more complete report at the April meeting.

7. Committee/Agency Representative Reports:

- a) **San Luis Delta Mendota Water Authority (Tobias/Tonascia)**
As per Mr. Cattaneo, he will cover this under his Manager's report.
- b) **Water Resources Association (Flores/Bettencourt)**
As Director Flores, there was nothing to report.

- c) **Personnel Committee (Tobias/Torquato)**
As per Mr. Cattaneo, it was a closed session meeting.

8. District Manager/Engineer's Report:

- a) **Reach 1 Operations**
Mr. Cattaneo reported there were no meetings but staff is working with SCVWD on the final budget.
- b) **Zone 3 Operations**
Mr. Cattaneo reported there is no water in Hernandez Reservoir. Also, Mr. Cattaneo reported he has had a request from the Bureau of Land Management (BLM) to do a hydrogeologic study of the basin around Hernandez. BLM is interested in putting in a well for their facility to evaluate the groundwater levels.
- c) **Zone 6 Operations**
Mr. Cattaneo reported there may be an issue with the State Water Control Board regarding limitations on Municipal and Industrial (M&I) water for health and safety requirements. Because of this, Mr. Cattaneo stated staff immediately starting filling San Justo Reservoir and it will be full soon. Ag rescheduled water is still being stored in San Luis Reservoir and should be safe, per the Bureau.
- d) **San Luis Delta Mendota Authority Activities**
Mr. Cattaneo reported the authority is dealing with the drought and its issues. The forecast for next year is an initial allocation of -0-.
- e) **ACWA/JPIA recognition of District's loss ratio of 20% or less in Liability, Property and Workers' Compensation programs**
Mrs. Singleton stated ACWA/JPIA reviews the loss ratio annually. The District was recognized for its low loss ratio.

9. Consider Director Attendance at JPIA Board of Directors and Spring Conference, May 5 and 6, 2014, Monterey, California

As per President Tobias, anyone interested should see Mrs. Mauro.

10. Consider Director and District Manager (or his Designee) Attendance at ACWA Spring Conference May 6 through 9, 2014, Monterey, California

As per President Tobias, anyone interested should see Mrs. Mauro.

11. Adjournment

With no further business to discuss, the meeting was adjourned at 7:08 p.m.

Minutes were approved at the April 30, 2014 Board Meeting and signed by the presiding board member.

/s/John Tobias
John Tobias, President

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