

March 29, 2017
Regular Meeting
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, March 29, 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 Frank Bettencourt, Sonny Flores 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, Consultant Harry Blohm and Board Clerk/Office Specialist III Barbara Mauro.

CALL TO ORDER

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

- a. **Pledge of Allegiance to the Flag**
President Tobias 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**
Mrs. Mauro noted a change in the resolution numbers for agenda items 7 and 8; item 7 is now Resolution No. 2017-04 and item 8 is now Resolution No. 2017-05. Also, item #8, number 3, Pacheco has been added. Noting these changes, Director Flores made a motion to approve the agenda and Vice President Tonascia seconded the motion; 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:**
February 8, 2017 **Special Meeting**
February 22, 2017 **Regular Meeting**
February 27, 2017 **Special Meeting**
- 2. **Allowance of Claims**
- 3. **Acknowledgement of Paid Claims prior to the March Board Meeting**
- 4. **Recognizing Cindy Tyler for 5 Years of Part-Time Service, Certificate Issued**

With no questions from the board, a motion was made by Vice President Tonascia and seconded by Director Bettencourt; the Consent Agenda was unanimously approved.

REGULAR AGENDA:

- 5. **Presentation of Hernandez Reservoir Operation Model**
Mr. Cattaneo introduced Jeff Micko and stated he has been working on this model for some time. This will be a useful tool for the District to manage Hernandez Reservoir.

Mr. Micko made his presentation via PowerPoint. He began with background on Hernandez Reservoir, its operation and how it changed when the San Felipe water was

brought into the basin. The operation tool will be a way for the District to manage Hernandez' operations. Mr. Micko's task was divided into 3 parts: 1) Build the model; 2) Evaluate the strategies and data; and 3) Prepare the planning tool. Some steps taken by Mr. Micko were to calibrate the model, using the input and output, establish subbasin parameters, determine releases, evaluate outcomes and alternate strategies and create an operation planning tool. The tool is Excel based, per Mr. Micko, so it is easy to use.

President Tobias asked how often well measurements are to be taken. Mr. Micko stated they would be taken 4 times per year and then the data would be entered. Mr. Cattaneo added the October measurement would be the most important, so the District staff could determine the space available in the aquifer which will help with the management of the reservoir. He added the target will be the end of year storage so the District can still make releases before the river bed becomes dry. Mr. Cattaneo offered some history on how diversions were made from San Benito River to the Paicines Reservoir and then back again.

Mr. Micko added the tool will also generate a printed plan.

A member of the audience asked if debris caught in streams, which ultimately caused a lot of damage this past year, was taken into consideration. Mr. Cattaneo discussed the effects of debris in streams and how percolation and releases caused by riparian growth often causes complaints by some citizens.

6. Discuss and Consider Approval of McGilloway, Ray, Brown & Kaufman for Auditing Services for Fiscal Year End 2017, with option for renewal for Fiscal Years 2018 and 2019 and Authorize District Manager to Enter into a Contract and Approve Renewals

Mrs. Singleton stated this item is a contract for auditing services. In 2014, when the District last went through the RFP process, McGilloway, Ray, Brown & Kaufman were chosen; their firm was the strongest in governmental accounting. The Government Finance Officers Association (GFOA) recommends a 1 year contract with 2 one-year renewals, which is what staff and the Finance Committee are recommending.

With a motion by Vice President Tonascia and a second by Director Bettencourt, the Board of Directors unanimously approved of McGilloway, Ray, Brown & Kaufman for Auditing Services for Fiscal Year End 2017, with an option for renewal for Fiscal Years 2018 and 2019 and Authorized the District Manager to Enter into a Contract and Approve Renewals.

7. Consider Resolution Approving an Interim Policy to Reduce the Agricultural Water Rate for Water Year Commencing March 1, 2017

Mr. Cattaneo reviewed the current water supply. The District could receive as much as 30,000 to 35,000 AF of Ag water this year and plans to deliver as much water as it can. Staff anticipates customers being able to use about 16,000 AF. Mr. Cattaneo stated this is as much water as we have had since 2011. To balance the basin, the District needs approximately 20,000 AF and the last few years we have only had about 14,000 AF. Balancing the basin will also be a requirement of SGMA (Sustainable Groundwater Management Act) and if the basin is out of balance, it could require the District to limit

pumping, which we wouldn't want to do. Leaving the Ag rate at \$272/AF, Mr. Cattaneo stated may make the water difficult to sell. The District made a commitment to its customers to reevaluate rates based on the supply and that the rate generated sufficient revenue to run the District.

Regarding M & I, based on the rate structure, the District would need 5900 AF of water. The allocation should be approximately 6000 AF, so there is not an abundance of M & I water.

Mr. Cattaneo stated staff and the Zone 6 Water Supply Committee are recommending lowering the Ag rate to \$191/AF for this water year.

Director Huenemann asked if staff still has furlough days. Mr. Cattaneo stated the furlough days continue through June 30, 2017 based on the M.O.U. and the District is in the last year of the contract. The new contract will begin July 1, 2017. Director Huenemann asked if it will be necessary for furloughs to continue. Mr. Cattaneo stated if we continue with the current formula, furloughs should not be necessary.

Mr. Pipal added, to be clear, this resolution is to approve a temporary interim policy for a one year rate change and it is **not** an amendment to Ordinance 58.

With no further questions, a motion was made by Vice President Tonascia and seconded by Director Flores; Resolution #2017-04, *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, 2017* was unanimously approved.

8. Discuss and Consider Resolution Setting Forth the District's Intentions Regarding Percolation of San Felipe Project Water for Water Contract Year 2017-2018

Mr. Cattaneo stated this resolution is the same as what the Board has approved in previous years with a few modifications. Due to the increase in the water allocation this year, staff is recommending increasing the percolation to 600 AF for Irrigation Water and 400 AF for M & I water. Also, Mr. Cattaneo has added Pacheco subbasin to the areas he intends to percolate. He added the District would percolate more if it had the opportunity and additional facilities but staff is limited due to the zebra mussels, so the San Benito River, and the adjacent streams and creeks are not being used. Mr. Cattaneo stated the only two areas used for percolation are the old gravel quarry off of Union Road and the seasonal pond near Los Viboras. Director Huenemann asked if the seasonal pond required any rehabilitation. Mr. Cattaneo stated it does not.

With no further questions, a motion was made by Director Flores and seconded by Director Bettencourt; Resolution #2017-05, *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 2017-2018* was unanimously approved.

9. **Discuss and Consider an Increase of \$375,000 to the Design and Installation of Equipment and Pipeline connecting the City of Hollister Wells #4 and #5 to the West Hills Water Treatment Plant and Authorize the District Manager to execute all documents necessary which will include a Change Order for Auburn Constructors, Inc. for the Installation of the Equipment and Pipeline, Amendment #10 to HDR Engineering, Inc. for the Design of the Pipeline and Engineering Services during Construction and an Amendment to Harry Blohm's Agreement for Program Management**

Mr. Blohm stated the City of Hollister (City) at their March 20, 2017 council meeting, approved the additional \$375,000 (this will be completely funded by the City). This is additional funding needed for the item the Board previously approved at the January 25, 2017 board meeting. When Auburn Constructors (Contractor) began working on the pipeline, they noted some necessary modifications, therefore needing to increase the budget for this portion of the project. The Contractor has adjusted their estimate to reflect these changes. The Board's action would be to authorize the District Manager to execute all necessary documents.

With a motion by Vice President Tonascia and a second by Director Bettencourt, the Board of Directors unanimously approved an Increase of \$375,000 to the Design and Installation of Equipment and Pipeline connecting the City of Hollister Wells #4 and #5 to the West Hills Water Treatment Plant and Authorized the District Manager to execute all documents necessary which will include a Change Order for Auburn Constructors, Inc. for the Installation of the Equipment and Pipeline, Amendment #10 to HDR Engineering, Inc. for the Design of the Pipeline and Engineering Services during Construction and an Amendment to Harry Blohm's Agreement for Program Management.

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

Mr. Blohm reported the pipeline is an important part of the treatment plant and is underway. Auburn Constructors continues to be ahead of schedule and the West Hills WTP expects to be fully operational by July 1, 2017.

Regarding the Master Plan Update, HDR has provided staff with a 1st draft, Mr. Blohm reported. The water demands have been agreed upon and water quality is a major driver of the plan. Mr. Blohm stated the review process will begin next week with completion expected in May.

11. **Committee/Agency Representative Reports:**

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

As per Director Tonascia, there is a new chairman, Cannon Michael and the water allocation was also discussed.

b) **Pajaro River Watershed Flood Prevention Authority (Bettencourt/Flores)**

As per Director Bettencourt, general business was discussed. Also discussed were plans to write our Senators to compel the Army Corps of Engineers to work on a plan, as promised.

- c) **Hollister Urban Area Water and Wastewater Master Plan Governance Committee (Tobias/Flores)**
As per Directors Tobias and Flores, Mr. Blohm has already covered this.
 - d) **Zone 3 Water Supply & Operations Committee (Tonascia/Huenemann)**
As per Director Huenemann, the committee previewed tonight's presentation on the Hernandez Operation Tool.
 - e) **Personnel Committee (Tobias/Tonascia)**
As per Director Tonascia, the committee had closed session items.
 - f) **Rural Water Systems Committee (Flores/Tonascia)**
As per Mr. Cattaneo, the committee agreed to contract with Bracewell Engineering, Inc. as the operator for Fairview Road Water System. Mr. Cattaneo reported the District will have a contract next week with Bracewell and they will take over the system soon.
 - g) **Zone 6 Water Supply Committee (Tobias/Flores)**
As per Directors Tobias and Flores, the committee's items have been discussed.
 - h) **Pacheco Reservoir Exploratory Committee (Tobias/Flores)**
As per Directors Tobias and Flores, this was covered at the Special Meeting held on February 27, 2017, which discussed the expansion of the Pacheco Pass Water District's reservoir.
12. **Consider Director Attendance at JPIA Board of Directors Meeting and Spring Conference, May 8, 2017, Monterey, California**
Director Bettencourt expressed interest in attending. As the conference is in driving distance, no travel arrangements need to be made; the meeting does not require registration.
13. **Consider Director and District Manager (or his Designee) Attendance at ACWA Spring Conference, May 9 through 12, 2017, Monterey, California**
If anyone is interested in attending, please let Mrs. Mauro know so she can register them for the conference. As the conference is in driving distance, no travel arrangements need to be made.
14. **District Manager/Engineer's Report:**
- a) **Reach 1 Operations**
Mr. Cattaneo discussed the six week shutdown, which will affect sub-systems 1-6 and it will begin on October 6, 2017. The timing will allow the District to fill San Justo Reservoir before the water year ends in February, as San Luis Reservoir is likely to fill.
 - b) **Zone 3 Operations**
Mr. Cattaneo reported the model Mr. Micko has created for Hernandez will help the District schedule releases from the reservoir. He added, it is likely the District will release all of what is currently being stored in Hernandez Reservoir.

c) **Zone 6 Operations**

Mr. Cattaneo reported the District intends to percolate as much as we can. He stated the initial Ag allocation is 65% and he reminded the Board the exchange contractor water is take or pay.

d) **San Luis Delta Mendota Authority Activities**

Mr. Cattaneo reported this was covered under the committee reports.

e) **Recycled Water**

Mr. Cattaneo reported the District began delivering recycled water again, approximately 2 weeks ago. He added the District is nearly finished with the recycled water pond project and that will allow the capture of additional water. President Tobias asked if the wires have been installed around the pond, to keep the birds out. Mr. Cattaneo stated no; the District plans to have this done in the fall after the irrigation season is over.

15. Adjournment

With no further business to discuss, the meeting was adjourned at 7:13 p.m.

Minutes were approved at the April 26, 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