

April 24, 2013
Regular Meeting
6:02 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, April 24, 2013 at 6:02 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 and Sonny Flores. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel David E. Pipal, Assistant Manager Sara Singleton, Deputy District Engineer Dale Roskamp, Supervising Accountant Natalie Sullivan, Water Conservation Program Manager Shawn Novack and Office Specialist III Barbara Mauro.

CALL TO ORDER

The meeting was called to order by President Tobias at 6:02 p.m.

- a. **Pledge of Allegiance to the Flag**
President Tobias led the Pledge of Allegiance.
- b. **Approval of Agenda**
Mr. Cattaneo stated Agenda Item #8 needs to be removed from tonight's agenda. Noting the removal of item #8, Director Flores made a motion and it was seconded by Vice President Tonascia; 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: March 27, 2013 Regular Meeting**
2. **Allowance of Claims**
3. **Acknowledgement of Paid Claims prior to the April Board Meeting**
4. **Acceptance of Quarterly Investment Report, Ending March 31, 2013**
5. **Recognizing Sara Singleton for 5 Years of Service, Certificate Issued**
Before entertaining a motion on the Consent Agenda, Mr. Cattaneo wanted to recognize Sara Singleton for her 5 years with the District. Mr. Cattaneo stated he couldn't do his job without her and appreciated all her hard work.

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

REGULAR AGENDA:

6. **Consider Resolution Proclaiming May as Water Awareness Month**
Mr. Novack stated May is Water Awareness Month. Irrigation generally begins this time each year and due to the dry winter season, conservation is especially important. Mr. Novack read the resolution into the record.

With a motion by Vice President Tonascia and a second by Director Bettencourt, Resolution #2013-12, *A Resolution of the Board of Directors of the San Benito County Proclaiming May as Water Awareness Month* was unanimously approved.

7. Consider Extending the Contract for one year (Fiscal Year 2012-2013) with McGilloway, Ray, Brown, & Kaufman for auditing services

Mrs. Singleton stated the Finance Committee is recommending extending the District's current auditor for a period of one year. Previously, the District had done a Request for Proposal (RFP) three years ago and McGilloway, Ray, Brown & Kaufman were selected for a three year contract. The District is currently in its final year of this contract. The committee is recommending extending the current contract for one year and doing a RFP next year. Mrs. Singleton discussed the GFOA recommendation for auditing services and this renewal is consistent with the GFOA's best practices. Mrs. Singleton added staff also feels extending the current auditor's contract would be helpful with the District's upcoming work on the HUAWP. Mrs. Singleton stated the cost would be \$26,000 for the one year extension.

With no questions from the Board, a motion was made by Director Flores and seconded by Director Bettencourt, the Board of Directors unanimously approved Extending the Contract for one year (Fiscal Year 2012-2013) with McGilloway, Ray, Brown & Kaufmann for auditing services.

8. Consider Approval of Resolution Restating the District's Investment Policy
(This item was removed from the agenda)

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

Mr. Blohm began by stating tomorrow there will be an extended Finance Committee Meeting (HUAWP) which Directors Tobias and Flores will attend.

Regarding the Water Supply and Treatment Agreement, legal reviews have been done and at tomorrow's meeting, the committee will have a section by section review. Mr. Cattaneo stated the full draft will not be distributed as some last minute changes are being incorporated. Also, Article 6 regarding funding is still being worked on. Mr. Blohm added tomorrow will be a good opportunity to bring all the members up to speed.

Regarding the environmental evaluations, Mr. Blohm stated staff is working with the USBR and ESA on the California tiger salamander issues related to the West Hills Water Treatment Plant (WHWTP) site. ESA is nearing completion of the Biological Assessment and once it has been reviewed, it will be submitted to the USBR. Mr. Blohm stated all agencies are hopeful the 12 month time period is appropriate.

Regarding the schedule, the agencies are nearing completion of the WSTA. Also, the City of Hollister and Sunnyslope County Water District have almost completed their rate studies. The Prop 218 notices, per Mr. Blohm, are tentatively scheduled to go out in early June. If that is the case, the schedule will stay on track.

Regarding Public Outreach, Mr. Novack stated timing is important and gave examples of the ways the agencies intend to reach the public. Mr. Novack added Data Instincts, our consultant, stated having firm dates will be important in moving forward. Mr. Novack stated staff will be attending meetings such as Rotary and the Chamber, to get the information out to the public.

Mr. Cattaneo asked Mr. Blohm to give an update on the Construction Management work needed for the Lessalt plant. Mr. Blohm stated at the last meeting, he had said the construction work at Lessalt needs construction management. Having construction management in place can prevent delays. The selection process, so far, has consisted of phone interviews and a written proposal received by one firm. The managers have suggested using the current engineer from Kennedy-Jenks to work closely with whatever firm is chosen for construction management. Having a third party firm do the construction management, per Mr. Blohm, offers another set of eyes and it would be good if they can work with Kennedy-Jenks.

President Tobias asked if this approach offers a cost savings. Mr. Blohm stated it not only saves money but also time. Mr. Cattaneo added using a firm that has a history of construction management is not only helpful but can save overall money. Mr. Cattaneo stated he is proposing to write a purchase order for \$10,000 for a construction feasibility review and this will become part of the project costs.

10. Staff to give Board a Mid-Year Financial Update

Mr. Cattaneo stated the Finance Committee recommended giving the Board this update.

Regarding Zone 3, the Biological Survey for the Tres Pinos Crossing and the requirement by Fish and Game to develop a Reservoir Management Plan for Hernandez will not be done but all others in the Zone 3 budget are trending per their budget numbers.

Regarding Zone 6, under general consulting, Asset Management will use \$30,000 which is their budgeted amount and IT Services are currently under budget.

Operations show water conservation on farm surveys are down because there haven't been a lot of requests and the Salt and Nutrient Management Plan's numbers are currently not up to date but will be close to their budgeted amount.

Maintenance always has a budgeted amount for a number of breaks and repairs during a fiscal year. Also, if extra work is needed outside of District staff if a large break happens, is also budgeted. For the most part, maintenance is under budget, but the District had 3 breaks in Sub 9 which will show up in the next report.

Under Program Consulting, there is a budgeted amount for Zebra Mussel Control Strategy, which staff has determined is not currently needed. There is also money in the grant for Zebra Mussels; it has not been spent yet but will be needed.

Under Preliminary Survey/Investigations, the District budgeted \$2 million but to date has spent only \$500,000.

The Integrated Regional Water Management Plan (IRWMP) has funds going in and out because it is made up of grant funds.

The Reclaimed Water Project is moving forward and will be shown on the next fiscal year's budget.

The Salt and Nutrient Management Plan is not over budget; the District is simply waiting for grant reimbursement.

11. Staff Report – Zebra Mussel Eradication Update

Mr. Rosskamp gave background information regarding the zebra mussels which are in the San Justo Reservoir and the Hollister Conduit. The eradication proposal method is designed to kill the mussels without harming the trout, salamander or frogs at the reservoir. To accomplish this, there are federal and state environmental processes the District must go through. Mr. Rosskamp reports the CEQA (California Environmental Quality Act) was done by the District and has been finalized. The NEPA (National Environmental Protection Act) work is being done by the USBR and has not been finalized. The emergency permit, which is needed to use the potash, is being worked on by CH2MHill. Mr. Rosskamp stated the District will continue to do seasonal monitoring, monitor the water levels at San Justo Reservoir and keep in close contact with the USBR for status updates.

Mr. Blohm added Mr. Rosskamp has put in a lot of work and has established a good working relationship with Bureau. This relationship will also be helpful for the California tiger salamander issue at the WHWTP site.

Director Bettencourt asked about the time frame and when the public review for NEPA would be done. Mr. Rosskamp said the USBR considers this a low priority and they have not given a definite timeline. Mr. Cattaneo added it is not a crisis in the distribution system as we are able to control the mussels there. Mr. Blohm added the CEQA requirements are to identify the treatment and the control methods and to include the dosing amounts and sites, etc.

12. Committee/Agency Representative Reports:

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

Mr. Cattaneo was unable to attend the April meeting.

b) Administration Committee (Tobias/Flores)

As per Mr. Cattaneo, the committee discussed the WSTA.

c) Finance Committee (Bettencourt/Torquato)

As per Director Bettencourt, the auditor's contract was discussed.

- d) **Investment Committee (Flores/Tobias)**
As per President Tobias, this has already been covered.
- e) **City of San Juan Bautista Water Infrastructure (Tobias/Tonascia)**
As per Vice President Tonascia, the District and the City of San Juan Bautista (City) are moving forward with discussions on how the District can help them. Mr. Cattaneo added staff is reviewing financial documents the City has provided.

13. District Manager/Engineer's Report:

- a) **Reach 1 Operations**
Mr. Cattaneo reported we are working on the final annual budget and staff is working with SCVWD on some changes that are needed.
- b) **Zone 3 Operations**
Mr. Cattaneo reported Hernandez Reservoir is at minimum pool and the water has been moved into Paicines Reservoir. This past Monday, the District began releasing water from Paicines into the Tres Pinos Creek, and will continue until complete.
- c) **Zone 6 Operations**
Mr. Cattaneo reported the District is at the final stage of the San Justo Re-Operation Plan. GEI is on their final year and is now developing the long term plan. Mr. Cattaneo reports that San Justo Reservoir will be at full pool around June 1st. By the end of the year, the District intends to reduce San Justo to 445' to 450'.
- d) **San Luis Delta Mendota Authority Activities**
Mr. Cattaneo stated there was nothing to report at this time.

14. Adjournment

With no further business, the meeting was adjourned at 7:05 p.m.

Minutes were approved at the May 29, 2013 Board Meeting and signed by the presiding board member.

/s/John Tobias
John Tobias, President

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