

April 29, 2015
Regular Meeting
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, April 29, 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 and Bob Huenemann. Director Frank Bettencourt was absent. 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 Conservation Program Manager Shawn Novack, Water Programmer III Anne Stull and Office Specialist III Barbara Mauro.

CALL TO ORDER

The meeting was called to order by President Tonascia 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 Vice President 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:** March 25, 2015 Regular Meeting
 April 1, 2015 Special 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, 2015**
- 5. **Recognizing Anne Stull for 20 Years of Service, Certificate Issued**
- 6. **Recognizing Michael Craig for 10 Years of Service, Certificate Issued**
- 7. **Recognizing Bazilio Hernandez for 10 Years of Service, Certificate Issued**

Mr. Cattaneo asked that item #5 be moved to the first item under the Regular Agenda. Noting that one change, a motion was made by Vice President Flores and seconded by Director Tobias, the Consent Agenda was unanimously approved.

REGULAR AGENDA:

5. Recognizing Anne Stull for 20 Years of Service, Certificate Issued

Mr. Cattaneo thanked Ms. Stull for her 20 years of service, all of her hard work and presented her with her certificate. Mrs. Sullivan stated since Ms. Stull's beginning date in 1995, she has worked with numerous District employees and board members. Mrs. Sullivan added that Ms. Stull was also instrumental in helping choosing the new software system and she provides excellent customer service. President Tonascia thanked her on behalf of the Board.

8. Presentation of District's refund check, \$25,418 from JPIA by David Hodgin, JPIA Executive Committee Member

Mr. Hodgin, is a Vice Chair of ACWA and an Executive Committee Member of JPIA, was in attendance at the meeting. He stated that ACWA/JPIA only works with water districts and JPIA charges insurance premiums based on actuarials. San Benito County Water District is being presented a refund check, per Mr. Hodgin, because of their excellent record and lack of claims. Mr. Hodgin presented the refund check to Board President Tonascia.

9. Discuss and Consider Resolution making a Sole Source Determination for the purchase of Actiflo-Carb equipment, authorizing Sole Source procurement language in contract documents, and approving Kruger proposal for Actiflo-Carb equipment

Mr. Cattaneo began by stating Actiflo-Carb has been chosen to be used at the new West Hills Water Treatment Plant. This will be a part of the bid document if approved by the Board as a sole source procurement. Doing it this way, per Mr. Cattaneo, the contractor is responsible for it not the District. Mr. Pipal added the language in the resolution states the appropriate terms. Mr. Cattaneo introduced Bob Ellis, HDR, to further explain this agenda item.

Mr. Ellis stated the agencies are moving forward with this project. About 5 years ago, Mr. Ellis reported the agencies went through the process to determine what would be the best process to use both at the existing Lessalt WTP and then at the West Hills WTP when it is built. Mr. Ellis stated they began with 8 different processes and screened them down to 2. Testing at Lessalt as well as conducting field visits, determined that granulated active carbon was the best process to use at Lessalt and because gravity is a factor at the site for the West Hills WTP, Actiflo-Carb would be the best choice for the new plant.

This process is a proprietary system sold by Kruger, who is a division of Veolia, and HDR has negotiated a proposal with them. If the District approves the proposal from Kruger, it will go in the bid documents for West Hills WTP and the contractor chosen for this job will take on the risks and the costs. Mr. Ellis stated the plan is have the bid documents ready to go out on May 18, 2015, allowing 8 weeks bidding time, with bid opening on July 15, 2015.

Director Huenemann stated he feels it would be more prudent to go slowly on this project, is concerned about the availability of water and will choose to abstain from any items related to the West Hills WTP.

With no further questions, a motion was made by Director Tobias and seconded by Vice President Tobias, Resolution #2015-08 *A Resolution of the Board of Directors making a Sole Source Determination for the purchase of Actiflo-Carb equipment, authorizing Sole Source procurement language in contract documents, and approving Kruger proposal for Actiflo-Carb equipment* was approved by 3 affirmative votes (Tonascia, Tobias & Flores), with 1 abstention (Huenemann) and 1 absence (Bettencourt).

10. Board Acknowledgment of Conveyance of Real Property, West Hills Water Treatment Plant Property, from Sunnyslope County Water District to San Benito County Water District

Mr. Cattaneo stated this is a formality, asked for by Sunnyslope County Water District's Counsel. Sunnyslope has already recorded the deed and the City of Hollister recorded the deed today.

a. Approve Agreement for Conveyance of Real Property-West Hills Treatment Plant Property, and Authorize President to Sign

With a motion by Vice President Flores and a second by Director Tobias, the Board of Directors approved the Agreement for Conveyance of Real Property-West Hills Treatment Plant Property, and Authorized the President to Sign, by 3 affirmative votes (Tonascia, Tobias & Flores), with 1 abstention (Huenemann) and 1 absence (Bettencourt).

11. Discuss and Consider Resolution--Intention to undertake a Project and Setting a Public Hearing—Recycled Water Project

Mr. Cattaneo reported that this item is on the agenda, as the District has to restate the resolution for Recycled Water Project as a formality, due to an error in public noticing.

With a motion by Vice President Flores and a second by Director Tobias, the Board of Directors unanimously approved Restating Resolution #2015-05 *A Resolution of the Board of Directors of the San Benito County Water District's Intention to undertake a Project and Setting a Public Hearing—Recycled Water Project*.

12. Discuss and Consider Resolution—Intention to undertake a Project and Setting a Public Hearing—West Hills Water Treatment Plant

Mr. Cattaneo stated this agenda item is similar to item #11, with the exception that it is for the West Hills Water Treatment Plant.

With a motion by Director Tobias and a second by Vice President Flores, Resolution #2015-09 *A Resolution of the Board of Directors of the San Benito County Water District's Intention to undertake a Project and Setting a Public Hearing—West Hills Water Treatment Plant* was approved by 3 affirmative votes (Tonascia, Tobias & Flores), with 1 abstention (Huenemann) and 1 absence (Bettencourt).

13. Discuss and Consider Resolution Authorizing District Manager to Execute All Documents Necessary for the Letter of Credit to the California Department of Fish & Wildlife for Mitigation for the West Hills Water Treatment Plant site (\$896,546.25)

Mr. Cattaneo stated the District has been issued an Incidental Take Permit (ITP) by the California Department of Fish and Wildlife (CDFW), which is needed for the environmental issues at West Hills WTP site. As a requirement of the ITP, the District must have mitigation measures in place. Because the mitigation credits are not yet in place, the CDFW is requiring the District to obtain a Letter of Credit which they (CDFW) will hold until the mitigation requirements are satisfied,

Mrs. Singleton stated the costs could be 1.25% for the Letter of Credit but the District is hoping to have it unsecured. Director Tobias asked if changing to unsecured will change the interest rate. Mrs. Singleton stated if it is higher it may be offset through deposit credit.

With a motion by Vice President Flores and a second by Director Tobias, Resolution #2015-10 A *Resolution of the Board of Directors of the San Benito County Water District Authorizing District Manager to Execute All Documents Necessary for the Letter of Credit to the California Department of Fish & Wildlife for Mitigation for the West Hills Water Treatment Plant site (\$896,546.25)* was approved by 3 affirmative votes (Tonascia, Tobias & Flores), with 1 abstention (Huenemann) and 1 absence (Bettencourt).

14. Discuss and Consider Authorizing the District Manager to issue a Purchase Order to Todd Groundwater to install a Groundwater Monitoring Well as required by the Central Coast Regional Water Quality Control Board to monitor groundwater relating to the District's Phase 1 Recycled Water Project (\$ 25,935)

Mr. Cattaneo stated this item is part of the monitoring and reporting for the Recycled Water Project. The Recycled Water Project needs to have a monitoring network and this new monitoring well will fill the requirement asked for by the Central Coast Regional Water Quality Control Board. In addition, this monitoring well will assist District staff with the Annual Groundwater Report by filling a data gap. This item needs to be in place for this project to move forward, per Mr. Cattaneo.

With a motion by Director Tobias and seconded by Vice President Flores, the Board of Directors unanimously Authorized the District Manager to issue a Purchase Order to Todd Groundwater to install a Groundwater Monitoring Well as required by the Central Coast Regional Water Quality Control Board to monitor groundwater relating to the District's Phase 1 Recycled Water Project (\$ 25,935).

15. Discuss and Consider Authorizing the District Manager purchase a Forklift (NTE \$25,000 plus tax)

Mr. Cattaneo stated the District's current forklift is more than 40 years old and our mechanic states it is unserviceable. Mr. Cattaneo stated a new forklift would be about \$50,000. In reviewing the hours it is used, staff is recommending purchasing a used forklift, not to exceed \$25,000, plus tax.

With a motion by Vice President Flores and a second by Director Tobias, the Board of Directors unanimously Authorized the District Manager to purchase a Forklift (NTE \$25,000 plus tax).

16. Discuss and Consider Resolution Restating the District's Investment Policy

Mrs. Singleton stated the current Investment Policy received its annual review by both District Counsel and the Investment Committee and all have agreed to reconfirm the policy as is, with no changes.

With a motion by Director Huenemann and a second by Director Tobias, Resolution #2015-11 *A Resolution of the Board of Directors of the San Benito County Water District Restating the District's Investment Policy* was unanimously approved.

17. Consider Resolution Proclaiming May as Water Awareness Month

Mr. Novack stated Water Awareness Month is in May each year, because that is the beginning of the irrigation season. He feels there is more focus this year, due to the drought. In addition to the District, he makes his rounds each year to the City of Hollister, City of San Juan Bautista, Aromas Water District, Tres Pinos Water District, Sunnyslope County Water District and San Benito County Board of Supervisors. Mr. Novack read the resolution into the record.

President Tonascia asked why residents are not aware of the minimum amount of water they can use. Should it be in a newsletter? Mr. Novack stated a lot of people work out of town, so they don't seem aware and yes, he puts this information in a newsletter that goes out as a bill insert. Level 2, in the Hollister Urban Water Management Plan, per Mr. Novack calls for reductions and Level 3, would restrict building. Mr. Cattaneo added the District cannot control building permits; that is up to the County.

Director Tobias asked about water supply assessments that the District has done. Mr. Cattaneo stated they usually cover a 20 year period, not short term issues such as the drought. Director Tobias further asked how this will affect the groundwater sustainability, which is coming. Mr. Cattaneo stated, yes it will affect it. As a water supplier, we are required to reduce by 25% from 2013.

Director Huenemann asked if it applies to groundwater pumping and Mr. Cattaneo stated no. Director Huenemann further commented that he attended an Ag Water Use Workshop put on by the WRA, which discussed irrigation efficiency. He found the workshop to be helpful and a step in the right direction. Mr. Novack stated often managers attend the classes, not the field workers who are actually watering,

President Tonascia thanked Mr. Novack for his efforts.

With a motion by Director Huenemann and a second by Director Tobias, Resolution #2015-12 *A Resolution of the Board of Directors of the San Benito County Water District Proclaiming May as Water Awareness Month* was unanimously approved.

18. Discuss and Consider Allowing M & I Small Parcel Customers to Reschedule Conserved/Unused Water

Mr. Cattaneo stated this agenda item is at Director Huenemann's request. The M & I Small Parcel Account is similar to a utility account. Often these accounts are allocated 1 acre foot of water annually and this is divided up into 12 equal payments. The last 2 years, Mr. Cattaneo stated, their allocation was reduced to $\frac{3}{4}$ of an acre foot in 2014 and $\frac{1}{4}$ of an acre foot in 2015. Mr. Cattaneo used the City of Hollister and Sunnyslope County Water District as examples; none of their accounts allow water to be carried forward. Mr. Cattaneo stated the District did make an exception for Small Parcel Ag accounts this year, to carry forward any unused/conserved water, due to the 0 Ag allocation, and it amounted to less than 50 AF. If the District made the same exception for the M & I Small Parcel accounts, it would be about 110 AF, which the District does not have available. Least expensive water on the open market may cost customers around \$1500/AF and will not be available until the fall.

A member of the audience, Jerry Cooley from 80 Harbern Way, addressed the Board. He feels allowing small parcel M & I accounts to carry water forward would encourage water conservation.

President Tonascia asked Mr. Cattaneo to clarify Ag versus M & I small parcel. Mr. Cattaneo stated Ag small parcels are reviewed annually and this year, were sent a questionnaire. The requirements of the USBR are to have a minimum of 2 acres in active commercial production in order to qualify for the Ag classification. The accounts were also asked for an IRS Schedule F.

Director Tobias asked if the small parcel M & I, as a utility account, has a limit. Mr. Cattaneo stated yes, the District has a limited water supply and must make up the difference if water is over-used; they are not charged a base rate. This year, their allocation is $\frac{1}{4}$ acre foot, which for a urban user would be sufficient for a one year supply.

Director Huenemann stated these accounts (M & I small parcel) pay a stand-by charge. Mr. Cattaneo stated yes, to have access to the water supply. The standby charge is \$6/AF, which for a 5 acre parcel is \$30/year. Director Huenemann asked if the District has a policy requiring the Schedule F. Mr. Cattaneo stated we do periodic spot checks and our field staff conducts visual inspections when reading the meters. Director Huenemann stated he was unaware that the District sent out the special survey and would encourage the District to continue to do it annually, especially during the drought. Mrs. Sullivan stated, based on the surveys, there was a significant reduction in the amount of small parcel Ag accounts this year. Vice President Flores added, he lives inside city limits and they are all utility accounts.

Director Huenemann moved to allow M & I small parcel customers to carry over water from the last water year. The motion failed for lack of a second.

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

Mr. Cattaneo reviewed the Tranche 1 for the Board. Mr. Cattaneo stated he has initiated Tranche 2, by sending letters to the City Manager of the City of Hollister and to the General Manager at Sunnyslope County Water District. If the project should exceed \$30 million, a Tranche 3 will likely be needed. If it is necessary, a line of credit for a short term, 12 to 15 months, may be needed. To fill this need, a commitment of \$1 million will be requested from the each of the participating agencies (SBCWD, COH & SSCWD).

20. Committee/Agency Representative Reports:

- a) **San Luis Delta Mendota Water Authority (Tobias/Tonascia)**
As per Mr. Cattaneo, staff attended a Sites reservoir presentation. The costs and details are not firm yet and they are looking for funding for the initial study.
- b) **Water Resources Association (Flores/Bettencourt)**
As per Vice President Flores, general business was discussed.
- c) **Administration Committee (Tobias/Flores)**
As per Director Tobias, the committee items have been discussed.
- d) **Investment Committee (Flores/Tobias)**
As per Vice President Flores and Director Tobias, the committee items have been discussed.
- e) **Rural Water Systems (Flores/Tonascia)**
As per President Tonascia, the committee had nothing to report.
- f) **Zone 6 Water Supply Committee (Tobias/Flores)**
As per Director Tobias, the committee items have been discussed.
- g) **Recycled Water Ad Hoc Committee (Flores/Bettencourt)**
As per Directors Bettencourt and Flores, the Todd Groundwater proposal was discussed.
- h) **City of Hollister RDA Advisory (Tobias)**
As per Director Tobias, the main focus was cleaning up titles on some properties.
- i) **San Luis & Delta-Mendota Water Authority Public Advisory (Tonascia)**
As per President Tonascia, he did not attend the meeting.

21. District Manager/Engineer's Report:

- a) **Reach 1 Operations**
Mr. Cattaneo reported staff will be attending the quarterly meeting next week.
- b) **Zone 3 Operations**
Mr. Cattaneo reported there is no water in any of the reservoirs and no activity.

c) **Zone 6 Operations**

i. Hollister Conduit Repair

Mr. Cattaneo stated the damage to the Hollister Conduit has been repaired. It ended up being minimal damage and was under \$100,000. President Tonascia added the staff did a good job getting the system operational again

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

Mr. Cattaneo reported this has already been covered.

e) **Pacheco Pass Water District**

Mr. Cattaneo reported Santa Clara Valley Water District (SCVWD) is requesting a meeting on May 11th, but we don't expect to have anything from GEI until later in June.

Director Huenemann asked if the evaluation GEI is doing will include San Benito County. Mr. Cattaneo stated our biggest concern is the capital improvements that are needed at the dam, which are not in San Benito County. Steve Verigan, from GEI, is a former employee of the Department of Safety of Dams and is conducting the evaluation. SCVWD estimates the improvements could be \$10-\$50 million.

22. **CLOSED SESSION: Conference with Labor Negotiator**

Pursuant to Government Code Section 54957.6

Agency Negotiator: District Manager

Title: Office and Field Employees

23. **CLOSED SESSION: Conference with Labor Negotiator**

Pursuant to Government Code Section 54957.6

Agency Negotiator: District Manager

Unrepresented Employees: Management/Confidential/Professional Employees

24. **CLOSED SESSION: Conference with Real Property Negotiator**

Parcel Number 021-070-010-000, Unincorporated area of San

Benito County

Agency Negotiator: Jeff Cattaneo

Negotiating Parties: San Benito County Water District, A and R

Property Management, A General Partnership

Under Negotiation: Purchase Price

The Board went into Closed Session at 7:17 p.m.

25. **OPEN SESSION: Report any action if any**

The Board returned from Closed Session at 7:23 p.m.

Regarding Agenda Items #22 and #23, the proposed Furlough Schedule will be implemented.

Regarding Agenda Item #24, the proposed purchase price of \$46,700 has been accepted by the Board.

26. Adjournment

With no further business to discuss, the meeting was adjourned at 7:25 p.m.

Minutes were approved at the May 27, 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