

May 13, 2015
Special Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, May 13, 2015 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: Vice President Sonny Flores and Directors John Tobias, Frank Bettencourt and Bob Huenemann. President Joe Tonascia was absent. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel David E. Pival, Assistant Manager Sara Singleton, and Office Specialist III Barbara Mauro.

CALL TO ORDER

Vice President Flores called the meeting to order at 5:00 p.m.

- a. Pledge of Allegiance**
Vice President Flores led the Pledge of Allegiance.
- b. Speakers will be limited to 5 minutes to address the Board**
There were no public comments.

AGENDA ITEMS:

1. Discuss and Consider Authorizing the District Manager to purchase up to 2600 acre feet of North of Delta and Yuba water through transfer agreements

Mr. Cattaneo stated the District can purchase up to 2600 AF of transfer water from North of Delta and Yuba. The call date was May 1st and payment is due May 15th. Typically, transfer water purchases do not come before the Board as the District Manager has the authority, through the transfer agreements, to authorize these purchases. However, due to the magnitude of this expenditure, Mr. Cattaneo felt the Board needed to approve it.

In previous years, transfer water normally costs \$300 to \$500/AF. This year, the cost, delivered to San Luis Reservoir, will be more than \$1000/AF. Mr. Cattaneo explained the percentages of losses that are charged against the water.

Each time we have participated in water transfers, someone has challenged them. We do have a long term transfer agreement in place, starting for 2015 through 2024. A protest was filed during the public review period. This matter was discussed in Closed Session at the San Luis and Delta Mendota Water Authority. Whether the District purchases water or not, it would still be responsible for defending any protests, due to our participation in the long term agreement.

The Board's action would be to agree to go forward with the transfer water purchase. The cost for the approximate 2600 AF will be \$2.6 million. Delivery of this water, per Mr. Cattaneo, will not be until October, November and December, so it would be purchased to be used for next year's water supply. Even if we have a wet year, it is likely the Ag allocation won't be any higher than 25% of our full allocation. Mr. Cattaneo

reviewed the levels in the reservoirs in Northern California and stated San Luis Reservoir is unlikely to fill. He added if the District should change their mind about this water purchase, other agencies would pick it up due to the dire water situation.

Director Bettencourt asked if transfer agreements are usually challenged. Mr. Cattaneo stated yes and the reason this one is being challenged could be because it is for a 10 year period rather than a 1 year.

Director Huenemann asked if this water would be made available to small parcel ag users. Mr. Cattaneo stated yes, as it classified as Ag water and it would be based on what acreage the customer had.

With no further questions, a motion was made by Director Tobias and seconded by Director Bettencourt; the Board of Directors unanimously to Authorize the District Manager to purchase up to 2600 acre feet of North of Delta and Yuba water through transfer agreements.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 5:15 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