

- d. **Open Public Hearing**
Vice President Flores opened the Public Hearing. Mr. Cattaneo stated no protests for the project have been received.
 - e. **Close Public Hearing or continue to later date**
With no public comments, Vice President Flores closed the Public Hearing.
 - f. **Consider Approval of Resolution--Approve a Project**
With a motion by Director Bettencourt and a second by Director Huenemann, Resolution #2015-13 *A Resolution of the Board of Directors of the San Benito County Water District to Approve a Project for Recycled Water* was unanimously approved.
5. **Public Hearing regarding San Benito County Water District's Intention to undertake a Project—West Hills Water Treatment Plant**
- a. **Proof of Publication submitted for Notice of Public Hearing**
Mrs. Mauro verified the proof of publication for the Public Hearing.
 - b. **Presentation of the West Hills Water Treatment Plant**
Mr. Cattaneo stated the District has gone out to bid and the bids are due July 15, 2015.
(*President Tonascia arrived at 6:03 p.m.*)
 - c. **Questions of Directors**
There were no questions of the Directors.
 - d. **Open Public Hearing**
Vice President Flores opened the Public Hearing. Mr. Cattaneo stated no protests for the project have been received. Richard Bettencourt, a member of the audience, asked if it is open for local contractors. Mr. Cattaneo stated yes, it is open for local contractors and was advertised locally.
 - e. **Close Public Hearing or continue to later date**
With no further questions, Vice President Flores closed the Public Hearing.
 - f. **Consider Approval of Resolution--Approve a Project**
With a motion by Director Bettencourt and a second by Director Tobias, Resolution #2015-14, *A Resolution of the Board of Directors of the San Benito County Water District to Approve a Project West Hills Water Treatment Plant* was unanimously approved.
6. **Discuss and Consider Authorizing the District Manager to Commit \$1,000,000 of District Reserves for Construction of the West Hills Water Treatment Plant Until Long Term Financing for Tranche 3 is Secured**

(*President Tonascia assumed chairing the meeting from Vice President Flores*)

Mr. Cattaneo stated the Water Supply and Treatment Agreement calls for 2 tranches for the \$30 million the District has pledged for the project. There was anticipation for a 3rd tranche and that is likely now, per Mr. Cattaneo. The 3 agencies, the District, the City of

Hollister and Sunnyslope County Water District have discussed committing \$1 million each from their reserves. Mr. Cattaneo stated this would give the group the flexibility to wait until after awarding the contract for the treatment plant to obtain the long term financing, perhaps through bonds, for the correct amount. With all 3 agencies committing \$1 million each, the \$3 million will be enough until the long term financing is secured for tranche 3.

Mr. Bettencourt asked what if the bond doesn't pass. Mr. Cattaneo stated they are revenue bonds that the District will seek and the District has a good credit rating and shouldn't have trouble getting them.

With no further questions, a motion was made by Vice President Flores and seconded by Director Bettencourt; the Board of Directors unanimously Authorized the District Manager to Commit \$1,000,000 of District Reserves for Construction of West Hills Water Treatment Plant until Long Term Financing for Tranche 3 is Secured.

7. Discuss and Consider Authorizing District Manager to Open a Certificate of Deposit Account with Heritage Bank of Commerce, up to \$2 million

Mr. Cattaneo stated Heritage Bank of Commerce has offered the District a liquid CD account. This account would allow 2 withdrawals annually. Mr. Cattaneo stated it offers a .4% rate and we only receive .2% from LAIF. He added we have to maintain a minimum balance of \$2500.

Sally Bettencourt, a member of the audience, asked if any other banks were contacted. Mr. Cattaneo stated yes, our current bank, Union Bank, does not offer this type of account.

With no further questions, a motion was made by Director Tobias and seconded by Director Huenemann; the Board of Directors unanimously Authorized the District Manager to Open a Certificate of Deposit Account with Heritage Bank of Commerce, up to \$2 million.

8. Discuss and Consider Approval of Recycled Water Agreement between the City of Hollister and San Benito County Water District

Mr. Cattaneo stated this is part of the Recycled Water Project. The City of Hollister will assign the District as the distributor of the recycled water from the treatment plant and we will use their master reclamation permit. Using this document, per Mr. Cattaneo, the District will follow all of the Regional Water Quality Control Board requirements. The one provision the District will have, any costs/upgrades to improve or enhance the reclaimed water will be borne by the District. The City will produce the water and provide it at no cost to the District and the District will pay for any additional treatment costs, including chlorination.

Director Tobias asked who identifies what additional chlorination is needed. Mr. Cattaneo stated it will be determined at the plant. The District may also add an additional analyzer from the pond and injection facilities.

Director Bettencourt asked what the chlorination level will be. Mr. Cattaneo stated it will be 1 part/million or less.

With no further questions, a motion was made by Vice President Flores and seconded by Director Tobias; the Board of Directors unanimously approved the Recycled Water Agreement between the City of Hollister and the San Benito County Water District.

9. Discuss Labor Compliance Program under the requirements of the California Labor Code Associated with the Recycled Water Project and consider approval of the following:

Mr. Cattaneo stated this requires both adopting of a resolution and approval of a contract. The Prop 84 Grant Fund requires that we submit a plan to the State of California, for which Contract Compliance and Monitoring, Inc. (CCMI) already has an approved plan. The cost of the plan will be \$1500 per Mr. Cattaneo. At the first of this year, Mr. Cattaneo stated the labor compliance requirements changed. There is a lot more work to submit the information to the State. Mr. Cattaneo stated it we use CCMI to do all the work and submit it to the state Department of Water Resources for the Prop 84 Grant it will be a flat fee of \$6000. If the District did it in-house, we would need to have a full-time person to do it. Mr. Cattaneo stated it is likely the District will do something similar for the West Hills WTP as we may apply for additional grant funding; there is more than \$4 million still available. Pajaro Valley Water Management Agency is utilizing this same firm for their compliance.

Mr. Bettencourt asked if this firm has coverage should a mistake be made. Mr. Cattaneo stated yes, they have insurance coverage. There were no further questions.

a. Resolution Adopting and Implementing Labor Compliance Provisions on certain Public Works Contracts

With a motion by Director Bettencourt and a second by Vice President Flores, Resolution #2015-15 *A Resolution Adopting and Implementing Labor Compliance Provisions on certain Public Works Contracts* was unanimously approved.

b. Contract with Contractor Compliance and Monitoring Inc. for labor compliance program under the requirements of the California Labor Code associated with the Recycled Water Project and Authorize District Manager to sign said contract (\$ 7500)

With a motion by Director Tobias and a second by Vice President Flores, the Board of Directors unanimously approved of a contract with Contractor Compliance and Monitoring, Inc. for labor compliance program under the requirements of the California Labor Code associated with the Recycled Water Project and Authorized the District Manager to sign said contract (\$7500).

10. Discuss and Consider Request to expand square footage and funding for Turf Removal Program Water Resources Association of San Benito County (WRASBC) by allocating \$40,000 from the reserves to supplement the \$60,000 being requested in the WRASBC's 2015-16 budget for this program

Mr. Novack stated due to the ongoing drought and the Governor declaring a water shortage emergency, the State is requiring a 25% reduction in urban water usage. The WRA is concentrating its efforts on landscaping irrigation reduction. In July 2014, Mr. Novack stated WRA introduced its turf removal program, which offered a \$1/square foot of turf removed, with a maximum of 500 square feet, which is shown to save 13,000

gallons of water annually. In the upcoming budget, he would like to continue the program but increase it to maximum of 1000 square feet of turf removed, still at \$1/square foot. To accomplish this, Mr. Novack has budgeted \$60,000 in his 2015-2016 budget for this program and is asking to allocate an additional \$40,000 from the WRA reserves for a total of \$100,000.

Director Huenemann asked if this is new money. Mr. Novack stated, no, it would come from the reserves. Mr. Cattaneo clarified by stating there are 4 agencies participating in WRA and currently, it has about \$200,000 in reserves. If the District approves this allocation and increase to 1000 square feet of turf removal, the other agencies are taking a similar action.

Director Tobias asked if artificial turf can be put in place of the turf being removed. Mr. Novack stated they are rejecting it so far. Artificial turf has a life span of about 20 years and he feels they are taking a more holistic approach.

Mrs. Bettencourt said she wasn't familiar with this rebate. Mr. Novack stated WRA is paying \$1 per square foot to remove turf. Mr. Bettencourt asked how the program is policed. Mr. Novack explained how there is a pre and post inspection and how the program works.

Director Tobias asked if there is a list of contractors and Mr. Novack said no but two landscapers are making the best of the situation and are extremely busy.

With no further questions, a motion was made by Director Bettencourt and seconded by Vice President Flores, the Board of Directors unanimously agreed to expand the square footage and funding for the Turf Removal Program Water Resources Association of San Benito County (WRASBC) by allocating \$40,000 from the reserves to supplement the \$60,000 being requested in the WRASBC's 2015-15 budget for this program.

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

Mr. Blohm began with Lessalt. The plant is operating successfully. Regarding Chromium VI, Mr. Blohm is working with the City of Hollister (COH). Todd Groundwater is doing the well testing and should have results by next month. Ranges of options include well head treatment and water delivered from the West Hills WTP, when operational. Sunnyslope County Water District (SSCWD) has also offered the use of their wells.

Director Bettencourt asked about the extension. Mr. Blohm stated they aren't sure yet.

Director Tobias asked about the bid process for the West Hills WTP. Mr. Blohm stated we are using an electronic process through ARC in Sacramento and plans and specs can be obtained from them. There are two sets of plans and spec available at the District for viewing. Director Tobias asked how many bidders we can expect. Mr. Blohm stated HDR contacted 10 likely bidders and all expressed interest, but he feels there are 6-7 viable bidders. Director Tobias asked if Specialty, the contractor who did Lessalt, is interested. Mr. Blohm stated they are.

12. Committee/Agency Representative Reports:

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

Mr. Cattaneo reported the bleak water supply was discussed. Director Tobias asked about the Feds borrowing against the water supply and what the status is. Mr. Cattaneo stated it is a very complicated operation and there are no easy answers. Mr. Cattaneo said he will continue to ask to see if he can get a better explanation.

Mrs. Bettencourt asked to speak about the drought and the construction of new homes. She asked about the process, whether there should be a moratorium on building and who has the authority to halt the building due to the drought. President Tonascia stated the Board was not at liberty to discuss this as it is not on the agenda. Mr. Pipal added the District only has authority over water in Zones 3 and 6. It was suggested that Mrs. Bettencourt contact the office if she wishes to have an item put on a future agenda.

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

As per Director Bettencourt, the San Benito River Study is complete and is in good shape. The financials were also reviewed.

c) Finance Committee (Bettencourt/Tonascia)

As per President Tonascia, all items were covered.

d) Investment Committee (Flores/Tobias)

As per the committee members, all items were covered.

e) Zone 6 Water Supply Committee (Tobias/Flores)

As per the committee members, the purchase of the additional water, which was the subject for the Special Board Meeting, was discussed.

f) Recycled Water Ad Hoc Committee (Flores/Bettencourt)

As per Director Flores, the Labor Compliance items and the Recycled Water Agreement were discussed.

13. District Manager/Engineer's Report:

a) Reach 1 Operations

Mr. Cattaneo reported bifurcation is closed due to corrosion on the 42" valve. The bypass began to weep and Santa Clara Valley Water District (SCVWD) attempted unsuccessfully to patch it. Mr. Cattaneo reported a section of the bypass pipe may need to be replaced because it would be catastrophic if it should fail, as it would flood the vault structure.

Director Huenemann asked about SCVWD's concern of the zebra mussels and the need for an additional valve at bifurcation. Mr. Cattaneo stated the current valve leaks and could allow the mussels into their line, however; when the District was repairing the Hollister Conduit, we found it seals pretty well and is a low risk.

- b) **Zone 3 Operations**
Mr. Cattaneo reported there is still no water in either reservoir. Vice President Flores asked about groundwater. Mr. Cattaneo stated it is mostly holding up but has dropped in some areas like Browns Valley, mostly due to the elevation.
- c) **Zone 6 Operations**
Mr. Cattaneo reported the water supply is dropping in San Justo Reservoir but bifurcation will be back up before there's a problem.
- d) **San Luis Delta Mendota Authority Activities**
Mr. Cattaneo stated this was covered under committee reports.
- e) **Pacheco Pass Water District**
Mr. Cattaneo reported that GEI is moving forward with their study. He will be having a phone conference with them tomorrow to get a status report. Also, he will be meeting with members of LAFCO and SCVWD staff at Pacheco Pass Reservoir early Friday morning to view their facilities. Mr. Cattaneo will also be attending the LAFCO meeting being held on Thursday night.

Director Tobias asked if releases are being made by Pacheco Pass Water District (PPWD); Mr. Cattaneo stated yes. Director Tobias asked by whom. Mr. Cattaneo stated by Jeff Micko and Mike O'Connell. Discussion ensued about how much Mr. Bonturi knows about the operation of PPWD and whether his input would be helpful.

13 (f) Add an urgency item:

Executive Session:

Conference with legal counsel—Existing litigation

Government Code 54956.9(a)

San Benito County Water District v. Randy McAlpine (CL-13-00437)

As per Mr. Pipal, this item was not on the agenda but cannot wait for the next regular board meeting, therefore, needs to be added as an urgency item to this agenda.

With a motion by Director Tobias and a second by Vice President Flores, the Board unanimously approved of adding the urgency item of Conference with legal counsel—Existing litigation Government Code 54956.9(a) San Benito County Water District v. Randy McAlpine (CL-13-00437) to the agenda.

The Board went into Closed Session at: 7:05 p.m.

The Board returned to Open Session at: 7:12 p.m. President Tonascia reported no action was taken.

14. Adjournment

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

Minutes were approved at the June 24, 2015 meeting and signed by the presiding board member.

/s/ Joseph A. Tonascia
Joseph A. Tonascia, President

Barbara L. Mauro
Barbara L. Mauro, Recording Secretary