

May 28, 2014  
Regular Meeting  
6:01 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, May 28, 2014 at 6:01 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 Joe Torquato. 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 and Office Specialist III Barbara Mauro.

**CALL TO ORDER**

President Tobias called the meeting to order at 6:01 p.m.

- a. Pledge of Allegiance to the Flag**  
President Tobias led the Pledge of Allegiance.
  
- b. Approval of Agenda**  
With a motion by Vice President Tonascia and a second by Director Bettencourt, 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:**  

<b>Regular Meeting</b>	<b>April 30, 2014</b>
<b>Special Meeting</b>	<b>May 12, 2014</b>
  
- 2. Allowance of Claims**
  
- 3. Acknowledgement of Paid Claims prior to the May Board Meeting**

With no questions from the Board, a motion was made by Director Bettencourt and seconded by Director Flores; the Consent Agenda was unanimously approved.

**REGULAR AGENDA:**

Mr. Cattaneo stated agenda items #4-7 will be discussed all together. Due to the drought, the Governor advanced some Proposition 84 funds and the application due date is July 1, 2014. The proposals included in these 4 items are for CEQA, design and technical work. Pajaro Valley Water Management Agency (PVWMA) will be the lead for this grant and the agreements will go through them as well. The District's cost for the grant application is approximately \$20,000. Mr. Cattaneo stated the costs in the scope of this project originally included the seasonal storage ponds. As of today, he has decided to not include the ponds and therefore the contract amounts and scope will be adjusted accordingly. Mr. Cattaneo reported the grant process is extremely competitive and all projects must be shovel-ready. He feels the storage ponds might hinder the grant process and there is already a lot to prepare.

Mr. Rosskamp stated there are four contracts for this grant process. Agenda #4 is for Analytical Environmental Service (AES) to modify their contract as it was originally for the demonstration project and it sunsets in 2014. Vice President Tonascia asked about the service area and Mr. Cattaneo stated it is the same as the interim project and could be expanded eventually. For the grant process, Mr. Cattaneo stated it is important to keep the same service area.

Mr. Rosskamp stated Agenda #5 is for San Benito Engineering & Surveying (SBES) which will be for design services for the project and will include plans, specifications and cost estimates needed for the grant application.

Mr. Rosskamp stated Agenda #6 is for HDR and their contract is for technical services and support which will address permitting and the necessary paperwork required.

Mr. Rosskamp stated Agenda #7 is for Blohm Consulting and this will be for project management.

Mr. Rosskamp stated staff and the Administration Committee have reviewed all four of these items. Director Torquato asked what the process was for choosing these consultants without a bid process. Mr. Cattaneo stated an initial bid from one consultant to all of this work was \$200,000. Because of this cost, staff decided to break it up and use AES to update their CEQA work previously done and used SBES, a local firm, who the District has had work done by previously and they are familiar with it as well. HDR is most familiar with the cost and benefit analysis. Director Torquato asked how the District can manage the costs. Mr. Cattaneo stated the grant process has a very short time frame, but by breaking up this work between several consultants, the District received a better price overall.

President Tobias asked by removing the seasonal storage ponds, which contract goes down? Mr. Cattaneo stated mostly from SBES and some from Blohm Consulting.

4. **Consider Modification #1 to Analytical Environmental Service (AES) Contract for CEQA Services for Addendum to 2010 Supplemental EIR for San Benito County Water District's Recycled Water Facilities Phase 1 Service Area (\$ 22,751)** With a motion by Vice President Tonascia and a second by Director Torquato, the Board of Directors unanimously approved the modification #1 to Analytical Environmental Service (AES) Contract for CEQA Services for Addendum to 2010 Supplemental EIR for San Benito County Water District's Recycled Water Facilities Phase 1 Service Area, authorized the District Manager to sign, and with any adjustment for the removal of the seasonal storage ponds.
5. **Consider Authorizing District Manager to Execute a Contract for Design Services from San Benito Engineering & Surveying (SBES) for Recycled Water Facilities Improvements for the Phase 1 Service Area (\$ 86,585)** With a motion by Vice President Tonascia and a second by Director Bettencourt, the Board of Directors unanimously Authorized the District Manager to Execute a Contract for Design Services from San Benito Engineering & Surveying (SBES) for Recycled Water Facilities

Improvements for the Phase 1 Service Area with any adjustment for the removal of the seasonal storage ponds.

6. **Consider Contract Amendment for Technical Services from HDR for Recycled Water Program Implementation Support (\$ 96,525)** With a motion by Director Bettencourt and a second by Director Torquato, the Board of Directors unanimously approved a Contract Amendment for Technical Services from HDR for Recycled Water Program Implementation Support, authorized the District Manager to sign, and with any adjustment for the removal of the seasonal storage ponds.
7. **Consider Proposal for Project Management Services for the Recycled Water Program from Blohm Consulting (\$ 15,000)** With a motion by Director Flores and a second by Director Bettencourt, the Board of Directors unanimously approved the proposal for Project Management Services for the Recycled Water Program from Blohm Consulting, authorized the District Manager to sign and with any adjustment for the removal of the seasonal storage ponds.
8. **Consider Authorizing District Manager to Execute a Contract with Lidia Gutierrez Consultants for Proposition 84 Implementation Grant Program Management (\$ 319,000)** Mr. Cattaneo stated as a result of a successful Prop 84 grant, the District is utilizing \$4.1 million towards the Lessalt WTP upgrades and the remaining \$3.5 million will be used by the other agencies. Part of the grant application and included in the funding approved by the state, is \$369,000 for administrative services over 5 years. \$10,000, annually, will be paid to the District and the remainder \$319,000 would be for Lidia's work. These amounts will be paid out of the grant funds and the District is the lead on this grant.

With no questions from the Board, a motion was made by Director Flores and seconded by Director Torquato; the Board of Directors unanimously authorized the District Manager to Execute a Contract with Lidia Gutierrez Consultants for Proposition 84 Implementation Grant Program Management for \$319,000.

9. **Consideration of First Amendment to Lease of Office Space (10 Mansfield Road) to Joy Urtnowski, DBA Meadowlark Daycare and Authorize District Manager to Execute Amendment to Lease**  
Mrs. Singleton stated the tenant's lease for 10 Mansfield was up for renewal. The Administration Committee directed staff to negotiate an increase in their monthly rent. Additionally, the tenant has asked to increase the amount of children she can have to 35 total, 30 children and 5 infants. The amount of the proposed rent is: \$1725/month beginning July 1, 2014 and then \$1825/month beginning July 1, 2015. The current rent is \$1500/month and the tenant pays on time and has had no issues.

With a motion by Director Torquato and a second by Vice President Tonascia, the Board of Directors unanimously approved the First Amendment to Lease of Office Space (10 Mansfield Road) to Joy Urtnowski, DBA Meadowlark Daycare and Authorized the District Manager to Execute Amendment to Lease.

10. **Consider Approval and Authorize District Manager to Sign Amendment #1 to the Memorandum of Understanding between Santa Clara County Parks and Recreation Department, Alameda County Water District, Contra Costa Water District, Monterey County Parks Department, Monterey County Water Resources Agency, San Benito County Water District, East Bay Regional Park District, East Bay Municipal Utility District, Zone 7 Water Agency and the Santa Clara Valley Water District for the Bay Area Regional Consortium for Quagga and Zebra Mussel Prevention** Mr. Rosskamp stated in 2010, the District became a part of the Bay Area Regional Consortium for Quagga and Zebra Mussel Prevention. Being a part of the consortium qualified the District for approximately \$50,000 in grant funds. Staff is recommending approval of the amendment, so the District may have additional opportunities for grant funding.

With a motion by Director Bettencourt and a second by Director Flores, the Board of Directors unanimously Approved and Authorized the District Manager to Sign Amendment #1 to the Memorandum of Understanding between Santa Clara County Parks and Recreation Department, Alameda County Water District, Contra Costa Water District, Monterey County Parks Department, Monterey County Water Resources Agency, San Benito County Water District, East Bay Regional Park District, East Bay Municipal Utility District, Zone 7 Water Agency and the Santa Clara Valley Water District for the Bay Area Regional Consortium for Quagga and Zebra Mussel Prevention.

11. **Staff Report on the Hollister Urban Area Water and Wastewater Master Plan Update and Lessalt Water Treatment Plant Update**

Utilizing a PowerPoint presentation, Mr. Cattaneo discussed the need for the agencies to update the Master Plan, which was approved in 2008. In the original plan, it was anticipated modifications would be needed around 2014. Mr. Cattaneo reported that conditions can change, and due to the change in the economy, home sales have decreased thus changing the water demand. Mr. Cattaneo stated the first step would be approval of a Statement of Intent (SOI), which will go to the Governance Committee in draft form in June and then to our Board at the June Meeting. Mr. Cattaneo reviewed the accomplishments beginning in 2004 to present and the various reasons for the need to update the plan. Mr. Cattaneo stated using triggers for water demand changes rather than dates as used in the previous plan is an important change. Once the SOI is approved, a Memorandum of Understanding (MOU) will be developed and approved. The proposed schedule would be to start in February/March 2015.

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

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

As per President Tobias, this will be covered under the District Manager's report.

b) **Water Resources Association (Flores/Bettencourt)**

As per Director Flores, items discussed were the preliminary budget, Water Awareness Month and outreach for the Hollister Urban Water Projects.

c) **Association of California Water Agencies—Spring Conference (Singleton)**

As per Mrs. Singleton, she attended the ACWA conference. She reported there is momentum for groundwater regulation. Overdraft of some of the water basins in

the state was discussed as well as better planning for surface storage and groundwater percolation.

- d) Association of California Water Agencies—Joint Powers Insurance Authority Spring Conference (Bettencourt)**  
As per Director Bettencourt, he attended the JPIA board meeting. Central Basin Municipal Water District was voted out of JPIA due to legal issues. Also discussed was the Commitment to Excellence program.
  - e) Administration Committee (Tobias/Flores)**  
As per Directors Tobias and Flores, the lease for 10 Mansfield Road and the contracts related to the grant were discussed.
  - f) Finance Committee (Bettencourt/Torquato)**  
As per Director Bettencourt, the committee discussed the 3<sup>rd</sup> quarter reporting.
  - g) Personnel Committee (Tobias/Torquato)**  
As per Directors Tobias and Torquato, the committee discussed recruitment for the open engineer position. Staff and the committee discussed advertising at all 3 levels but hiring only 1. Also, there were two closed session items.
  - h) Zone 6 Water Supply Committee (Tobias/Torquato)**  
As per Mr. Cattaneo, the committee discussed the San Juan Oaks Project and their requirement for recycled water. The committee directed him to negotiate with them and report back to the committee.
  - i) San Luis & Delta-Mendota Water Authority Public Advisory (Tonascia)**  
As per Director Tonascia, the advisory has set up a non-profit account and ads regarding water will start soon. The infomercials will be only in Spanish.
- 13. District Manager/Engineer's Report:**
- a) Reach 1 Operations**  
Mr. Cattaneo reported staff has met with Santa Clara Valley Water District (SCVWD) and are waiting for their final budget. Discussion ensued about the concern for the San Luis Reservoir low point. If the need to de-water the Pacheco conduit occurs, SCVWD is concerned about the zebra mussel issue. SCVWD have proposed installing a second 36" valve and this would be a Reach 1 expense, with the 78/22 split but it would be our District's project. SCVWD also suggested an outage to replace a standby generator but Mr. Cattaneo has requested a winter date rather than during the irrigation season.
  - b) Zone 3 Operations**  
Mr. Cattaneo reported the committee meets tomorrow. He will be reporting that the groundwater levels are dropping.
  - c) Zone 6 Operations**  
Mr. Cattaneo reported that San Justo Reservoir is currently at 495' elevation and needs to go back down to 485', as per the reoperation plan the District has with the Bureau.

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

Mr. Cattaneo reported the projections are that San Luis Reservoir will have 210,000 AF, of which the Bureau has 40,000 AF by September 2014. The District has offered its customers additional water for purchase at \$1300/AF; this water will be available sometime in July. The District has sold about 150 AF but the District will take about 180 AF to cover the shortages.

Another issue is the Friant division. As part of the exchange contractors agreement, when there is a water shortage, Friant is required to make water available from their Millerton Reservoir. Friant has applied for a temporary restraining order. The Bureau obligation could amount to 183,000 AF to be released from Millerton. This could jeopardize our water in San Luis Reservoir. The Authority has suggested hiring an intervener. Mr. Pipal stated an intervener would take one side or the other and become a party to the lawsuit. President Tobias asked if Friant will be forced to release the water. Mr. Cattaneo stated yes, until the restraining order is in place.

**14. Adjournment**

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

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Minutes were approved at the June 25, 2014 Board Meeting and signed by the presiding board member.

*/s/John Tobias*  
John Tobias, President

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