

May 30, 2018
Regular Meeting
5:03 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, May 30, 2018 at 5:03 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 arrived late. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel David E. Pival, Assistant Manager Sara Singleton, Deputy District Engineer Garrett Haertel, Supervising Accountant Natalie Sullivan and Board Clerk/Office Specialist III Barbara Mauro.

CALL TO ORDER

President Tonascia called the meeting to order at 5:03 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 8:00 p.m.**
- c. **Approval of Agenda**
With a motion by Director Tobias and a second by Director Huenemann, 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: April 25, 2018 Regular Meeting**
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 Huenemann and seconded by Director Tobias, the Consent Agenda was unanimously approved.

REGULAR AGENDA:

4. **Discuss and Consider the surplusing of the Toyota Forklift, Model FG20, Serial 19375 and also miscellaneous equipment**
Mr. Cattaneo stated approximately 2 years ago, the District purchased a used forklift because the current one no longer worked. District staff would like to surplus both the older forklift as well as some miscellaneous equipment in the shop.

With a motion by Vice President Flores and a second by Director Huenemann, the Board unanimously agreed to surplus the Toyota Forklift, Model FG20, Serial 19375 and miscellaneous equipment.

5. Discuss and Consider Approval of Purchase of 2 vehicles and Authorize District Manager to sign all necessary documents (NTE \$80,000 total)

Mr. Cattaneo stated last year, the engineering department lost a vehicle due to an accident. Also, in the District vehicle pool, there isn't an extra vehicle so often an employee is asked to use their personal vehicle for District business. This is not preferred because if the employee was involved in an accident in their personal vehicle, their personal insurance would be utilized first. Staff is recommending the purchase of 2 vehicles; one to replace the engineering vehicle and one additional office staff vehicle.

Director Huenemann asked if there was a settlement on the vehicle involved in the accident. Mr. Cattaneo stated the District is self-insured for vehicles so there wasn't any settlement. Mrs. Singleton added the vehicle was salvaged for approximately \$1500.

With no further questions, a motion was made by Director Tobias and seconded by Director Huenemann, the Board of Directors unanimously approved the purchase of 2 vehicles and authorized the District Manager to sign all necessary documents (NTE \$80,000 total).

6. Discuss and Consider Approval of Contract with Data Instincts for Public Outreach Services Relating to the Sustainable Groundwater Management Act (SGMA) and Authorize the District Manager to execute contract (NTE \$45,000)

Mr. Cattaneo stated the District contacted Data Instincts for SGMA public outreach, because they did a good job on the Hollister Urban Area Projects outreach. Data Instincts is familiar with our District and is currently assisting other agencies with their SGMA outreach. Through the grant the District was awarded, Mr. Cattaneo stated there is \$80,000 for public outreach. This proposal is for \$45,000 which will cover the first 14 months, leaving \$35,000 for the balance of the time. Also, Mr. Cattaneo stated Shawn Novack will be meeting with Todd Groundwater and Data Instincts tomorrow on public outreach.

With no questions from the Board, a motion was made by Director Huenemann and seconded by Vice President Flores, the Board of Directors unanimously approved of a contract with Data Instincts for Public Outreach Services relating to the Sustainable Groundwater Management Act (SGMA) and authorized the District Manager to execute the contract (NTE \$45,000).

7. Staff Report on Sustainable Groundwater Management Act (SGMA)

Mr. Cattaneo reported District staff is working with Todd Groundwater on finalizing the work plan and budget. The Tres Pinos Basin was not in the original plan, so it required an amendment with the State which Todd Groundwater has prepared. The submittal to the Department of Water Resources (DWR) should be submitted within 30 days. Mr. Cattaneo stated it is fairly common to make changes with DWR. He is also expecting the Tres Pinos Basin to go from a low priority to a medium priority but is it currently still listed as a low priority basin.

8. Staff Report on Pacheco Reservoir Expansion Project

Mr. Cattaneo reported the application for grant funding for this project received the highest ranking in the state. Mr. Cattaneo reported the total cost for the project is close to \$1 billion and up to ½ of the project can be funded by the state grant (\$485 million). Mr. Cattaneo stated this project and the funding options will be reviewed in greater detail at the Board Workshop on June 6th. In addition to the grant funding, Mr. Cattaneo stated in a meeting with the U.S.B.R. (United States Bureau of Reclamation), there may also be several options for some federal funding.

The District's initial contribution will be 2.5% until the allocation plan is completed, at which time, the District will have the option to increase their participation to 5% or even up to 10%. Mr. Cattaneo anticipates it taking about 24 months to complete this plan and then the District can exit up to the beginning of the physical construction, which should be in about 5 years. Exiting would forfeit any money contributed to the project, to that point, per Mr. Cattaneo.

Director Tobias asked if the South of Delta CVP agencies were supporting the project. Mr. Cattaneo stated there has not been any opposition. He added there would be a lot of benefit to our District, with the ability to have additional storage options.

Director Huenemann asked whether Pacheco Pass Water District (PPWD) would be receiving reimbursement for their land. Mr. Cattaneo stated there is a draft option agreement between PPWD and Santa Clara Valley Water District (SCVWD), which is still being negotiated, that would provide an option payment to secure the site for this project. PPWD would retain their water rights but they (PPWD) would be relieved of its obligation to operate and maintain the reservoir.

(Director Bettencourt arrived at 5:35 p.m.)

Director Huenemann asked if PPWD would no longer have any responsibility for the new dam and Mr. Cattaneo stated they would not have any responsibility for maintenance costs when the project is complete. Mr. Pipal stated you can state that it is an in-kind consideration, as PPWD would be relieved of operating and maintaining the dam but money isn't being spent.

Mr. Cattaneo stated there will be an upfront cash payment, as an option payment, from SCVWD to PPWD but there won't be a tie from the land to the payment. This payment is to hold the land available to SCVWD for up to 10 years for the proposed project and the consideration to PPWD is to retain their water rights benefit, without operation and maintenance expenses

9. Staff Report on Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting

Mrs. Singleton reported the District, for the 6th year, has received the Certificate of Achievement for Excellence from the GFOA. She stated this is a significant accomplishment as this is not given out to everyone. An impartial panel at GFOA reviewed our Certified Audited Financial Report (CAFR) to determine this award. Mrs. Singleton thanked Mrs. Sullivan for her hard work and the work of the District staff.

- 10. Committee/Agency Representative Reports:**
- a) San Luis Delta Mendota Water Authority (Tobias/Tonascia)**
As per Directors Tonascia and Tobias, this will be covered under the District Manager's report.
 - b) Water Resources Association (Flores/Bettencourt)**
As per Director Bettencourt, who attended the meeting, general business was discussed as was Water Awareness Month.
 - c) Association of California Water Agencies—Joint Powers Insurance Authority, Spring Board of Directors Meeting, Sacramento, California (Bettencourt)**
As per Director Bettencourt, he will report on this at next month's meeting.
 - d) Association of California Water Agencies—Spring Conference, Sacramento, California (Tonascia and Tobias)**
As per Directors Tonascia and Tobias, the Ag Committee is getting organized and they have a lot of work to do.
 - e) Administration Committee (Tobias/Flores)**
As per Directors Tobias and Flores, this has already been covered.
 - f) Finance Committee**
As per the Directors, this has also been covered.
 - g) Pacheco Reservoir Exploratory Committee (Tobias/Flores)**
As per the Directors, this has also been covered.
- 11. District Manager/Engineer's Report:**
- a) Reach 1 Operations**
Mr. Cattaneo stated he had nothing to report at this time.
 - b) Zone 3 Operations**
Mr. Cattaneo reported District staff is releasing water from Hernandez Reservoir to the San Benito River, leaving approximately 2000 acre feet in the reservoir. Also, the District is having rodent issues at the Paicines Canal, which staff is working on.
 - c) Zone 6 Operations**
Mr. Cattaneo reported the Ag allocation has been increased from 40% to 45% and the M & I allocation remains unchanged, at 75% of historical use. The District increased the allocation to Ag contract accounts and we are percolating at Union Road. Mr. Cattaneo also reported the Bureau has set a limit of 3600 acre feet for carry over water.
 - d) San Luis Delta Mendota Authority Activities**
Mr. Cattaneo reported that the Interim Director has now taken a job at Westlands Water District, so the Authority is now down 2 positions. A strategic plan is being developed and he, Mrs. Singleton and Director Tonascia will be having a

teleconference with the Authority's consultant to discuss the plan and a new executive director.

e) **Recycled Water**

Mr. Cattaneo reported we have added 3 new customers. The District is experiencing some trouble with algae in the ponds and staff is looking for a solution.

12. Adjournment

With no further business to discuss, the meeting was adjourned at 5:54 p.m.

The minutes were approved at the June 27, 2018 Board Meeting and signed by the presiding board member.

/s/Joe Tonascia

Joe Tonascia, President

/s/Barbara L. Mauro

Barbara L. Mauro, Board Clerk