

June 6, 2018
Special Meeting/Workshop
5:02 p.m.

The Board of Directors of the San Benito County Water District convened in special session on Wednesday, June 6, 2018 at 5:02 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, Frank Bettencourt, and Bob Huenemann. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel David E. Pipal, Assistant Manager Sara Singleton, Deputy District Engineer Garrett Haertel, Water Conservation Program Manager Shawn Novack and Board Clerk/Office Specialist III Barbara Mauro.

CALL TO ORDER

President Tonascia called the meeting to order at 5:02 p.m.

a. Pledge of Allegiance

President Tonascia led the Pledge of Allegiance.

b. Speakers will be limited to 5 minutes to address the Board

AGENDA ITEMS:

1. Board Workshop on the Pacheco Reservoir Expansion Project

Mr. Cattaneo, using a PowerPoint presentation, began by reviewing the agenda for the workshop, the map of the existing facilities and the proposed expansion reservoir and facilities. The Department of Dam Safety (DSOD) has restricted Pacheco Pass Water District (PPWD) to having no storage in the reservoir until a temporary and permanent repair is done.

Director Tobias asked if both repairs have to be done when PPWD signs the agreement with Santa Clara Valley Water District (SCVWD), or would DSOD release them if the temporary fix is done. Mr. Cattaneo stated DSOD will be asked for some relief if the project is moving forward.

Mr. Cattaneo stated PPWD will maintain their water rights after the new reservoir is built.

Vice President Flores asked, if the dam is not operating, is the recharge being lost. Mr. Cattaneo stated yes and also, another downside to this is the fisheries benefit is also lost.

Mr. Cattaneo reviewed the proposed new facilities, including the increase in storage and described the pumping facility. SCVWD is looking at partnering with other Districts for storage.

Director Tobias asked how PPWD will get their water, under the new project. Mr. Cattaneo stated that is being worked on in the design..

The partners of this project are seeking to address 5 challenges: 1) Restore Federally threatened fish; 2) Improve the Delta; 3) Improve resiliency and emergency water supply;

4) Eliminate water quality issues in San Luis Reservoir; and 5) Reduce flooding to disadvantaged communities. As part of the water quality issues in San Luis Reservoir, the added benefit to the District would minimize the treatment costs at both the Lessalt and West Hills Water Treatment Plants.

Mr. Cattaneo reviewed the public and non-public benefits of this new project. If the District had a 5% participation in this project, that could equal approximately 5000 AF in surface water storage.

Mr. Cattaneo reviewed the specific benefits to San Benito County which included: protection of groundwater recharge in North County, increasing the South of Delta storage, increasing water supply reliability, flood prevention, benefits to fisheries, improving the water supply and quality for both urban and Ag users and the ability to store carry-over water, which would otherwise be lost.

Mr. Cattaneo then reviewed the timelines beginning with a Draft EIS/EIR in November of 2021 leading up to the start of the project in the fall of 2028. He anticipates it taking 24 months to complete the allocation plan and provisional operational plan and at that time, the District will need to decide its level (percentage) of participation.

Richard Bettencourt, a member of the audience, asked what happens to PPWD. Mr. Cattaneo stated this would be their choice. If this project goes forward, they will have no obligation to maintain or repair the dam but will still retain their 7250 AF of storage. Mr. Bettencourt further asked what happens after 2024; does SCVWD take them over? Mr. Cattaneo stated PPWD will continue to exist but without any maintenance obligation. It will be their option to continue or not.

Mr. Cattaneo then read through the MOU line by line for the Board. Mr. Cattaneo stated signing of the MOU does not bind or commit any of the parties to any course of action without complying with CEQA (California Environmental Quality Act). Mr. Pipal added, there will be a point in time that the District will be required to commit to the project. If the Board does agree to commit to the project, Mr. Pipal stated their next step will be to follow the process on initiating a project and follow the District Act, with the Public Hearing process.

Mr. Cattaneo stated the allocation plan process should take approximately 18 months from the execution of the MOU. During this time, each party will bear their own internal costs. Staff stated the District isn't opposed to SCVWD having other partners because it will not impact SBCWD or PPWD's allocations or water rights.

Future agreements, should the project go forward, would be: Allocation Plan, Operation Plan and Financing Arrangements. Discussion ensued about bonds for whatever amount is not covered through either the State Grant or any Federal funding that is obtained and also whether the bonds would be taken out by both Districts or SCVWD alone.

Mr. Cattaneo reviewed a chart which showed capital construction cost assumptions, which compared San Justo Reservoir versus several scenarios of an expanded Pacheco Reservoir, in 2018 dollars. This chart concluded, with the exception of full cost for

Pacheco the other two scenarios showed a cost per AF considerably lower than 2018 dollars for San Justo Reservoir.

Mr. Cattaneo reminded the Board that SCVWD and SBCWD are the only SLDMWA Districts with storage facilities; all others must use San Luis Reservoir for storage. President Tonascia stated, with this additional storage, the District could offer 40-50% allocation each year and sell any remaining allocation, if not needed.

Mr. Cattaneo reviewed the next steps for our District, SCVWD and PPWD.

If the Board members elect to not meet again, this item will be on the June 27, 2018 Board Agenda as it is time sensitive for the Grant Funding and the meeting of the California Water Commission at the end of the month.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 7:03 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