

June 26, 2013
Regular Meeting
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, June 26, 2013 at 6:00 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 Roskamp, Supervising Accountant Natalie Sullivan, Consultant Harry Blohm and Office Specialist III Barbara Mauro.

CALL TO ORDER

President Tobias called the meeting to order at 6:00 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: May 29, 2013 Regular Meeting**

- 2. Allowance of Claims**

Director Bettencourt asked if the payment to Gutierrez Consultants is related to grant work. Mr. Cattaneo reported yes, it is all related to the Prop 84 Grant.

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

REGULAR AGENDA:

- 3. Consider Authorizing District Manager to Execute a Contract with Dahl Consultants for Construction Management Services Related to the Lessalt Water Treatment Plant Upgrades**

Mr. Blohm introduced the representatives from Dahl Consultants, whom Mr. Blohm has known for approximately 25 years. Mr. Blohm also reviewed for the board how Dahl had been selected.

Director Torquato asked if the District was at risk having someone else manage our contract. Mr. Blohm stated Dahl would be the manager in the field, having a full time field representative but that the District would manage the project, overall.

Director Torquato asked who would have approval authority on this project. Mr. Cattaneo stated Dahl would review claims but the District would always have the final approval. Mr. Blohm added all contracts will be signed by the District. Mr. Cattaneo further stated District Counsel reviews all contracts the District enters into.

Wayne Dahl, of Dahl Consultants, addressed the Board. He stated all administrative items would be completed by their company. Dahl will process submittals and review all documents. Mr. Dahl stated timely responses to the contractor are very important. Their job will be to keep the project on time and on budget. John Dahl will be the construction manager and Jim Langley will be the full time field representative.

With no further questions from the Board, a motion was made by Vice President Tonascia and seconded by Director Flores; the Board of Directors unanimously approved executing a contract with Dahl Consultants for Construction Management Services Related to the Lessalt Water Treatment Upgrades.

4. Consider Approval of a Limited Notice to Proceed Under Amendment #4, Phase 2 to HDR for Services in connection with the HUAW&WW MP Implementation

Mr. Cattaneo stated this item, a limited notice to proceed (NTP), covers two items. Item one is the work needed for the environmental review. Item two is the pre-design work needed for the West Hills Water Treatment Plant (WTP). Mr. Cattaneo stated this NTP is limited to \$50,000 and is a shared cost for the project. Mr. Cattaneo added the agreements are almost there and the rate hearings are on August 5th (City of Hollister) and August 6th (Sunnyslope County Water District).

With no questions from the Board, a motion was made by Vice President Tonascia and seconded by Director Torquato; the Board of Directors unanimously approved of a Limited Notice to Proceed under Amendment #4, Phase 2 to HDR for Services in connection with the HUAW&WW MP Implementation.

5. Consider Resolution Authorizing the Board President to Execute a Warren Act Contract with United States to allow for conveyance of Non-Project Water acquired by District

Mr. Cattaneo stated a Warren Act Contract is needed to purchase water outside of the USBR but move it through USBR facilities. The contract would be effective for five years.

With a motion by Vice President Tonascia and seconded by Director Torquato, Resolution #2013-15, *A Resolution of the Board of Directors of the San Benito County Water District Authorizing the Board President to Execute a Warren Act Contract with the United States to allow for conveyance of Non-Project Water acquired by District* was unanimously approved.

6. Introduction and first reading of Ordinance No. 52, an ordinance Establishing a Cross Connection Policy for Fairview Road Water System

Mr. Cattaneo stated the California Department of Public Health (DPH) is requiring a cross connection control policy be in place for the Fairview Road Water System. This

policy would be rules and regulations pertaining to this water system for the District to enforce. Because of this, the policy will need to be approved via an ordinance. Mr. Cattaneo stated the Board could approve of this by having a first reading this month and a second reading next month. Mr. Pipal added the board action would be to waive the reading of the ordinance at this meeting, and then next month the board could approve it.

With a motion by Vice President Tonascia and a second by Director Torquato, the Board of Directors unanimously waived the first reading of Ordinance No. 52, an ordinance Establishing a Cross Connection Policy for Fairview Road Water System.

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

Mr. Blohm offered the board the following update. Sunnyslope County Water District (SSCWD) approved the Water Supply and Treatment Agreement (WSTA) on June 12, 2013 and the City of Hollister (COH) will consider approval on July 1, 2013. The next milestones will be the rate hearings, which will be August 5, 2013 for the COH and August 6, 2013 for SSCWD. Once the rates are in place, the property transfer can take place, which will transfer the Lessalt Water Treatment Plant (WTP) and the land for the future site of the West Hills WTP to the District.

ESA, our environmental consultant, gave an update yesterday on their progress. They gave the status of the USBR document ESA is ghostwriting for NEPA approval and also the preparations underway for the Environmental Impact Report (EIR). Dale Roskamp is working with both ESA and the USBR to keep everyone on schedule.

Regarding the Lessalt WTP upgrade, bid documents should be available sometime in July. SSCWD is hoping this process can begin as early as possible. Mr. Cattaneo added that SSCWD will have their first reporting period in October 2013 and DPH would like the project at Lessalt to be underway by then. Once the bid documents have been approved, the District will then advertise to accept bids and there will be approximately 8 weeks to receive bids. Mr. Blohm stated the documents from Kennedy/Jenks (KJ) should be ready in about 1 week. Mr. Cattaneo added Mr. Pipal needs to review them. Mr. Blohm stated he will forward the document to him as soon as possible.

Mr. Cattaneo stated Dahl Consultants will assist the District in reviewing the bids. Director Torquato asked if the District has to take the lowest bid. Mr. Cattaneo stated yes, the lowest qualified bid and then the District will issue a contract to get the project started. Mr. Blohm stated previously we had allowed for 8 months for construction but based on Dahl Consultants' advice, construction time has been revised to 10 months.

Director Bettencourt asked if the pipeline from Lessalt WTP to the high zone would be included. Mr. Blohm stated it would and added it will also attract more bidders. Mr. Blohm also stated Dahl's opinion is that whoever the contractor is for the project, they will likely use local contractors as sub-contractors. KJ will prepare a list of qualified bidders for this process.

President Tobias asked for the status of West Hills WTP. Mr. Blohm stated a meeting was held today and both the NEPA (which would be through the Federal Fish and Wildlife) and CEQA (which would be the California Fish and Wildlife) were discussed.

The meeting was with District staff, ESA and California Fish and Wildlife. Mr. Cattaneo added a site visit at West Hills was done and went well. Staff now feels better about the process. It is estimated it will take 1 year for the permit process. Mr. Cattaneo stated HDR will start design for the West Hills WTP in approximately 1 year and will not start until the WSTA and approved rates are in place. Mr. Cattaneo stated a notice to proceed, contingent on approval of rates, may be given prior to the August board meeting. Mr. Blohm added Dale Rosskamp is monitoring the progress and potential road blocks. He is making contact every 2-3 weeks.

President Tobias asked about Mr. Rosskamp's visit to HDR's lab. Mr. Rosskamp reported he visited their lab and viewed their bench testing and analysis and was satisfied they had good lab techniques in place.

Mr. Cattaneo stated the Operation and Maintenance Agreement with the District and SSCWD is close to completion. District Counsel has reviewed the agreement and Mr. Cattaneo is hopeful that it will be on the July board agenda. A meeting was held to discuss costs of operating for a partial year; Mr. Cattaneo reported Mr. Rosskamp is working on this.

During the retrofit of the Lessalt WTP, President Tobias asked how long the plant will be down. Mr. Blohm stated 3 or 4 times for approximately one week each time.

8. Committee/Agency Representative Reports:

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

Mr. Cattaneo will cover as part of his manager's report.

b) Hollister Urban Area Water and Wastewater Master Plan Governance Committee (Tobias/Flores)

As per President Tobias, this has already been covered.

c) Administration Committee (Tobias/Flores)

As per President Tobias and Director Flores, the committee discussed construction management of the Lessalt WTP using Dahl Consultants.

d) Investment Committee (Flores/Tobias)

As per Director Flores, the committee discussed the sale of notes that were nearing maturity.

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

As per Mr. Cattaneo, the committee discussed allowing for the current water year, transfers from small parcel ag to other small parcel ag accounts.

f) City of Hollister RDA Advisory (Tobias)

As per President Tobias, he had nothing to report.

9. District Manager/Engineer's Report:

a) Reach 1 Operations

Mr. Cattaneo reported, due to the water shortage, he is requesting to have 5000 AF of water transferred back to us from the Santa Clara Valley Water District that

we transferred to them in a year that we had surplus water. This water will be used as additional Ag water supply next year. The USBR forecasts significant reductions in contract allocations, even with average hydrology. Mr. Cattaneo reported he and Vice President Tonascia attended a meeting the USBR sponsored at SLDMWA. The reservoirs the CVP water comes from are experiencing critical conditions. A dry year now is much worse than years ago, due to the pumping restrictions in the delta. It was reported at this meeting that approximately 300,000 AF were lost during November and December 2012 because only 1 pump was allowed to operate. San Luis Reservoir averages about 1 million AF in storage; this year it is at approximately 300,000 AF. Reclamation stated if next year is an average rainfall year, the initial allocation will be MAYBE 10%. Last week, the pumps were shut down. Mr. Cattaneo reported there are bills before the congress and the CVP members are looking for some assistance. Mr. Cattaneo stressed the importance of having SCVWD as a partner and the transfer of the 5000 AF will add \$500,000 to the District's revenue and help us serve our customers. Mr. Cattaneo added the District may schedule a workshop to inform the local growers of the current and future water outlook.

Director Bettencourt asked if there are still plans to raise Shasta; Mr. Cattaneo stated it is a 10-15 year project but pumping is really the problem.

b) Zone 3 Operations

Mr. Cattaneo reported there is little change in Zone 3.

c) Zone 6 Operations

Mr. Cattaneo reported it is a constant balancing act between the water the District has in San Luis Reservoir, San Justo Reservoir and serving our customers. The District used 6000 AF of its storage to serve our customer needs this year. Also, Mr. Cattaneo reported in August there is an anticipated shutdown of Bifurcation, which he hopes to limit.

d) San Luis Delta Mendota Authority Activities

Mr. Cattaneo stated this was already covered.

10. Adjournment

With no other business to discuss, the meeting was adjourned at 7:08 p.m.

Minutes were approved at the July 31, 2013 Board Meeting and signed by the presiding board member.

/s/John Tobias
John Tobias, President

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