

July 7, 2014
Special Meeting
4:02 p.m.

The Board of Directors of the San Benito County Water District convened in special session on Monday, July 7, 2014 at 4:02 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, Assistant Manager Sara Singleton, and Office Specialist III Barbara Mauro. District Counsel, David E. Pipal was absent.

CALL TO ORDER

President Tobias called the meeting to order at 4:02 p.m.

PLEDGE OF ALLEGIANCE

President Tobias led the Pledge of Allegiance.

AGENDA ITEMS:

**1. Consider Payment of United States Bureau of Reclamation
Contract #8-07-20-W0130A payment due date, July 1, 2014**

Mr. Cattaneo stated at the last board meeting, the agenda item discussed, was to consider the semi-annual payment to the Bureau for our contract. The Board elected to refer it to the Administration Committee. The committee met on July 1, 2014 and received a presentation by staff. Discussed were the two options: 1) Not make the payment or 2) Work with the USBR to request deferment of future payments under contract provision. Mr. Cattaneo stated our repayment contract has fixed payments and on a stepped repayment schedule.

Staff recommends making the payment (due by July 10, 2014) and to negotiate with the Bureau on what the options and terms would be if the District requested a deferment. The next payment is due in December 2014.

Vice President Tonascia asked, regarding deferment, can we do this many times if we don't have water. Mr. Cattaneo stated yes; we would talk to the USBR about deferring payment if Ag allocation was less than 20%.

President Tobias asked what Santa Clara Valley Water District is doing. Mr. Cattaneo stated they might be looking to defer their next payment.

An audience member asked the Board if the District is having difficulty making its payment, perhaps it should consider raising rates, particularly for the Ag customers, as the Urban users are paying more already.

President Tobias stated the Board is considering this as a business decision. Mr. Cattaneo added the Board is obligated to review all of its options. Additionally, Mrs. Singleton stated it is not an issue of the inability to pay the bill.

With a motion by Vice President Tonascia and a second by Director Torquato, the Board of Directors unanimously agreed to make the payment to the United States Bureau of Reclamation Contract #8-01-20-W0130A and also directed staff discuss with the Bureau to understand what the deferment options might be available and consider further.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 4:16 p.m.

Minutes were approved at the July 30, 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