

July 30, 2014  
Regular Meeting  
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, July 30, 2014 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 and Directors Frank Bettencourt and Sonny Flores. Director Joe Torquato arrived late and Vice President Joe Tonascia was absent. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel David E. Pipal, Assistant Manager Sara Singleton, 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 Director Flores 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: June 25, 2014 Regular Meeting  
July 7, 2014 Special Meeting**
2. **Allowance of Claims**
3. **Acknowledgement of Paid Claims prior to the July Board Meeting**
4. **Acceptance of Quarterly Investment Report, Ending June 30, 2014**

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:**

5. **Consider Approval of Compensation Agreement for the City of Hollister Successor Agency transfer of the property at the southwest corner of 4th and San Benito Streets commonly referred to as the '400 Block' to the City of Hollister Redevelopment Agency to hold for redevelopment purposes**  
Mr. Cattaneo stated the former Redevelopment Agency (RDA) still owns property. The first property, formerly Leatherback, is in the process of being sold and the proceeds will be distributed to the named agencies involved. The second property being discussed is at 4<sup>th</sup> and San Benito Street. The City would like to hold this property to develop an anchor for the downtown area. Mr. Cattaneo added, because they are required to dispose of the properties, they need all parties involved to sign a compensation agreement. Mr.

Cattaneo stated the estimated annual property tax the District would forego is approximately \$590.

*(Director Torquato arrived at 6:08 p.m.)*

Director Bettencourt asked if all agencies must agree and Mr. Cattaneo stated yes.

Director Flores asked if there is a sunset date. Mr. Cattaneo stated there is not.

With a motion by Director Flores and a second by Director Torquato, Resolution #2014-13, *A Resolution of the Board of Directors of the San Benito County Water District Approving a Compensation Agreement with the City of Hollister and other affected taxing entities pursuant to Health and Safety Code Section 34180(f)* was unanimously approved.

**6. Report of action taken in executive session on June 25, 2014 (Conference with labor negotiator pursuant to Government Code Section 54957.6, Office and Field Employees)**

The Board stated no discussion was necessary.

**a. Approval of Tentative Agreement and MOU with Office and Field Employees**

A motion was made by Director Torquato and seconded by Director Bettencourt; the Board of Directors unanimously approved the Tentative Agreement and MOU with Office and Field Employees.

**b. Authorize President to sign the Tentative Agreement and the MOU**

A motion was made by Director Bettencourt and seconded by Director Flores; the Board of Directors unanimously authorized the President to sign the Tentative Agreement and the MOU.

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

Mr. Blohm gave the Board an update on the Hollister Urban Area Water and Wastewater Master Plan Update and Lessalt Water Treatment Plant Update.

Regarding the Lessalt construction project, the project is approximately 60-65 % completed. Due to the delay from the delivery of the pumps, Specialty Construction may ask for a minor change to their completion date, at no additional cost to them. President Tobias asked if the Board could take a tour; Mr. Blohm stated it might be better when the trenches are closed but he will ask at the weekly meeting on Thursday.

Regarding the West Hills Water Treatment Plant, the design work is on schedule and at the 90% level. Mr. Blohm stated HDR will distribute the draft design in the beginning of August and review will have a 2 week window. Director Torquato asked if the board could review the design using a jump drive; Mr. Cattaneo thought that could be done.

Mr. Blohm stated once the design is approved, no further work will be done until the permitting is all in place. The CEQA EIR is complete, per Mr. Blohm. The NEPA work is being done by the Bureau and they are waiting for the review to be completed by the California Department of Fish and Wildlife and then it will return to the Bureau. Regarding the Incidental Take Permit (ITP) and the California tiger salamander, more detail will be given at the next meeting. Also discussed were the options regarding mitigation. Mr. Blohm stated once we have the ITP, the project can be restarted at that time.

Mr. Cattaneo added there is progress being made with the Bureau and the historical use for M & I water allocations. A recent meeting with staff, Jan Goldsmith and the Bureau went well. Mr. Cattaneo stated how important this would be going forward with the projects. The full M & I allocation is 8250 AF, but the District is hoping for at least 7100 AF.

Mr. Cattaneo also reviewed the Tranche Report for the Board. He pointed out, to date we have had about \$140,000 in change orders. The allowance in the contract was 5%, which would be about \$330,000.

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

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

This will be covered under the Manager's report.

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

As per Director Flores, general business was discussed.

**c) Administration Committee (Tobias/Flores)**

As per President Tobias, the only item discussed was considering the deferment of the USBR payment.

**d) Investment Committee (Flores/Tobias)**

As per Directors Tobias and Flores, the quarterly investment report was discussed.

**e) Pacheco Reservoir Exploratory Ad Hoc Committee (Tobias/Flores)**

Mr. Cattaneo stated a meeting was held in San Jose and it included our District, Santa Clara Valley Water District (SCVWD) and LAFCO representatives from San Benito and Santa Clara counties. Options regarding the Pacheco Water District were discussed at this meeting. Because the majority of the tax base is in our county, our county's LAFCO will take the lead and Santa Clara County's LAFCO will be secondary. Discussion was had that included the need for operating agreements and options for future expansion.

The next steps, per Mr. Cattaneo, would be to meet with Jim Fielder and Joan Maher, possibly when staff is at SCVWD on August 13<sup>th</sup> for the quarterly meeting. Staff is hoping this item goes to our Board and SCVWD's Board in September.

**9. District Manager/Engineer's Report:**

**a) Reach 1 Operations**

Mr. Cattaneo reported the next quarterly meeting is on August 13, 2014. Also, he informed the Board that Joan Maher will be retiring.

**b) Zone 3 Operations**

Mr. Cattaneo reported a Zone 3 Operations and Water Supply Committee will be scheduled in August and will include District Counsel.

**c) Zone 6 Operations**

Mr. Cattaneo reported the District is continuing to draw down San Justo Reservoir and is close to shutting off Flow #2. He added Lessalt has been shut down due to working off San Justo Reservoir.

Of the transfer water from north of the Delta, our customers purchased about 180 AF and it won't be available until August or September. Of the Yuba transfer water, the District purchased 100 AF which it will hold and this water will be available by December. Staff's intent is to not leave any water in San Luis Reservoir.

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

Mr. Cattaneo gave the Board an update on the DHCCP, via a Power Point. Discussion was had about possible costs as the project moves forward. Mr. Cattaneo stated water from this project is likely not be delivered until 2030.

## **EXECUTIVE SESSION**

### **10. CLOSED SESSION: Public Employee Performance Evaluation**

**Title: District Manager/Engineer**

**Authority: California Government Code Section 54957**

*The Board went into Executive Session at 7:04 p.m.*

**a. Reconvene in Open Session**

*The Board reconvened at 7:25 p.m.*

**Take action if any (Government Code 54957.1)**

As per President Tobias, the District Manager, Jeff Cattaneo, received a satisfactory review.

### **11. Adjournment**

With no further business to discuss, the meeting was adjourned at 7:27 p.m.

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Minutes were approved at the August 27, 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