

July 31, 2013
Regular Meeting
6:02 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, July 31, 2013 at 6:02 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. Directors Joe Tonascia and Joe Torquato were absent. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel David E. Pipal, Assistant Manager Sara Singleton, Deputy District Engineer Dale Rosskamp, Supervising Accountant Natalie Sullivan, Consultant Harry Blohm and Office Specialist III Barbara Mauro.

CALL TO ORDER

President Tobias called the meeting to order at 6:02 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 Bettencourt and a second by Director Flores, 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 26, 2013 Regular 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, 2013**
5. **Recognizing Jeff Cattaneo for 5 Years of Service, Certificate Issued**
President Tobias recognized Mr. Cattaneo for his five years, serving as District Manager. 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:

6. **Second Reading and Consider Adoption of Ordinance No. 52, Establishing a Cross Connection Policy for Fairview Road Water System**
As per Mr. Pipal, there are two actions required by the Board; one to waive the second reading and one to adopt Ordinance 52.

With a motion by Director Flores and a second by Director Bettencourt, the Board unanimously waived the second reading of Ordinance 52, Establishing a Cross Connection Policy for Fairview Road Water System.

With a motion by Director Bettencourt and a second by Director Flores, Ordinance 52, *An Ordinance of the Board of the Directors of the San Benito County Water District, Establishing a Cross Connection Policy for Fairview Road Water System* was unanimously approved.

7. Consider Approval of Operation and Maintenance Agreement between San Benito County Water District and Sunnyslope County Water District for the Lessalt Water Treatment Plant

Mr. Cattaneo stated the O & M Agreement is one of the requirements of the Water Supply and Treatment Agreement (WSTA). This agreement is between the District and Sunnyslope County Water District (SSCWD). The agreement has been reviewed by both District Counsel and the Administration Committee. Mr. Cattaneo pointed out a few areas in the agreement.

On page 7, the operator (SSCWD) has the authorization to handle any emergencies as they come up. If the cost of the emergency is below \$5,000, it can be approved in the next billing. If the cost is above \$5,000, there will be a 30 day review of the cost.

On page 11, regarding compensation, by April 1st of each year, SSCWD will turn in a budget and the two parties will negotiate as necessary. If extended negotiations are necessary, the operator will operate the plant a minimum of 180 days, during such negotiations.

Regarding the budget, it will be divided up into 12 payments, payable each month. At the end of the year, there will be a true-up to actual costs (for such items as materials and labor).

The term for this agreement is five years, initially, with renewals opportunities in 5 year increments. If the operator wishes to sever ties, a notice of 180 days is required.

President Tobias asked what the initial budget will be. Mr. Cattaneo stated it will be a time/materials basis initially. PG&E will be changed over to the District. SSCWD will give us a budget annually after that. President Tobias asked if it will be actual accounting and Mr. Cattaneo replied yes. Mr. Cattaneo added the cost will have to have justification for the ratepayers.

Director Flores asked when the agreement goes to SSCWD. Mr. Cattaneo stated it will go to them next, at a meeting following the rate hearing.

With no further questions, a motion was made by Director Bettencourt and seconded by Director Flores, the Board of Directors unanimously approved of the Operations and Maintenance Agreement between San Benito County Water District and Sunnyslope County Water District for the Lessalt Water Treatment Plant.

8. Consider Approval of Proposal from Kennedy/Jenks Consultants for the Lessalt Water Treatment Plant Disinfection Byproducts Reduction Improvements and the Fairview Transmission Pipeline Project (\$ 272,500)

Mr. Cattaneo stated this Agreement has been reviewed by both District Counsel and the Administration Committee. This agreement is for engineering services during the Lessalt upgrades. Kennedy/Jenks (KJ) will be required to provide information during construction and respond to shop drawings. Mr. Cattaneo stated this is a custom designed plant and it will be very important that manufacturers build correctly from the drawings. Mr. Blohm added the actual budget is \$228,700; the rest of the balance will be discretionary. Mr. Cattaneo stated this contract is a time and materials basis. President Tobias added Task #1-7 has a Not to Exceed amount.

Director Bettencourt asked about the expected time frame. Mr. Blohm stated construction should be 310 days and some time to wrap up the project. He feels this contract will be for approximately 1 year. Director Bettencourt asked about design time; Mr. Blohm stated the design work is complete.

With no further questions, a motion was made by Director Bettencourt and seconded by Director Flores; the Board of Directors unanimously approved the Proposal from Kennedy/Jenks Consultants for the Lessalt Water Treatment Plant Disinfection Byproducts Reduction Improvements and the Fairview Transmission Pipeline Project.

9. Consider Resolution Establishing an Interim Policy for Rescheduling Unused/Conserved 2013-2014 Water by Individual Agricultural and Municipal & Industrial Contract Water Users

During the past five years, the District has allowed water users to reschedule 10 to 15% of their purchased allocation into the next water year. Mr. Cattaneo stated the District is proposing to allow a higher percentage, 35% of customer's purchased allocation, to be rescheduled from the 2013-14 water year into the 2014-15 water year. This water year, the District gave a 50% allocation of requests because we were able to use some of our stored water in San Justo Reservoir. Next year, per Mr. Cattaneo, with the reservoirs being very low and the pumping restrictions still in place, he expects our allocation to be even lower. This past winter we had an average rainfall but during the time we got the most rainfall, only 1 of 5 pumps were allowed to run (during November and December) and at least 300,000 AF of water were lost. The proposed policy would be for this year only.

With a motion by Director Flores and a second by Director Bettencourt, Resolution #2013-16, *A Resolution of the Board of Directors of the San Benito County Water District Establishing an Interim Policy for Rescheduling Unused/Conserved 2013-2014 Water by Individual Agricultural and Municipal & Industrial Contract Water Users* was unanimously approved.

10. Consider Authorizing District Manager to Execute Contract with Lidia Gutierrez, Gutierrez Consultants, for the Pajaro River Watershed Integrated Regional Water Management Plan (IRWMP) Update Grant Management (\$ 60,000)

Mr. Cattaneo stated approximately 2 years ago, the Board approved the IRWM update and the District hired Lidia Gutierrez as the project manager. The budget at the time was \$138,000 and expected to cover the two year period. The update encountered numerous delays and is now expected to go another year. In addition to the District, there are other participants and much of the funds are from a grant.

With a motion by Director Bettencourt and a second by Director Flores, the Board of Directors unanimously Authorized the District Manager to Execute a Contract with Lidia Gutierrez, Gutierrez Consultants, for the Pajaro River Watershed Integrated Regional Water Management Plan (IRWMP) Update Grant Management (\$60,000).

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

Mrs. Singleton reported the District annually prepares a financial report. Last year, the District reported the year with a CAFR (Certified Audited Financial Report) and submitted it to the GFOA. The goal of submitting the report is to obtain the certification of achievement. Mrs. Singleton stated our auditor encouraged us to apply and the District was fortunate to receive the award in our first year. Mrs. Singleton stated this was a team effort by District staff. The certificate can be displayed in our financial report for the coming year.

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

Mr. Blohm reported there are two major activities underway. The first is the Prop 218 process for rate increases for the City of Hollister (COH) and Sunnyslope County Water District (SSCWD). Following the 45 day waiting period following notification of customers, the agencies will hold public hearings. The COH will open their hearing on August 5th and close it on August 19th. SSCWD will hold their hearing on August 6th. A successful protest, per Mr. Blohm, is 50% + 1.

President Tobias asked if any protests have been received. Mr. Blohm stated SSCWD has received approximately 50 protests on the water increase. Mr. Blohm stated staff is anticipating both increases being accepted and he and Mr. Cattaneo plan to attend both hearings.

Mr. Blohm reported the other activity is the Lessalt project, which began advertising on July 19, 2013. Using Plan It Well, an on-line posting site, will allow the agencies to keep track of those obtaining plans for the project. As of 3 p.m., 6 plan holders had participated and 2 of the 6 are likely to submit proposals.

13. Committee/Agency Representative Reports:

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

As per Mr. Cattaneo, this will be discussed under his manager's report.

b) Water Resources Association (Flores/Bettencourt)

As per Director Bettencourt, general business was discussed.

- c) **Administration Committee (Tobias/Flores)**
As per President Tobias, the committee discussed the O & M Agreement, the Kennedy/Jenks contract and the District's 60th anniversary.
- d) **Investment Committee (Flores/Tobias)**
As per President Tobias and Director Flores, the quarterly investment report was discussed.
- e) **Personnel Committee (Tobias/Torquato)**
As per President Tobias, the item for closed session was discussed and District job descriptions were reviewed.
- f) **Zone 6 Water Supply Committee (Tobias/Flores)**
As per President Tobias and Director Flores, rescheduled water was discussed.

14. District Manager/Engineer's Report:

- a) **Reach 1 Operations**
Mr. Cattaneo reported the San Felipe Asset Management Plan was received.
- b) **Zone 3 Operations**
Mr. Cattaneo stated there is little to report; both the Hernandez and Paicines Reservoirs are nearly empty.
- c) **Zone 6 Operations**
Mr. Cattaneo reported San Justo Reservoir is down to 485' elevation and we have closed Flow 2. Dale Rosskamp will be testing the water from the reservoir for the West Hills Water Treatment Plant project. Mr. Cattaneo stated the level in the reservoir is a delicate balance for water management. He intends to leave approximately 3000AF of water in the reservoir by the end of the year.
- d) **San Luis Delta Mendota Authority Activities**
Mr. Cattaneo reported the main topic right now is next year's water allocation. The Authority is contacting congress in hopes of limiting the pumping restrictions. Last year was an average rainfall year but the maximum pumping restrictions were in place. Next water year, the initial ag allocation could be 0% with a final allocation of 5-10%. Mr. Cattaneo stated hydrology is a big factor in the allocations.

EXECUTIVE SESSION

15. Public Employee Performance Evaluation

Title: District Manager/Engineer

Authority: California Government Code Section 54957

a. Reconvene in Open Session

Take action if any (Government Code 54957.1)

President Tobias, noting there are two missing board members, preferred to wait on this item. Mr. Pipal stated this could be done, with a motion to move the agenda item forward.

With a motion by Director Bettencourt and a second by Director Flores, agenda item #15, the Execution Session for the Public Employee Performance Evaluation, Title: District Manager/Engineer, was unanimously approved to move to the next board agenda.

16. Adjournment

With no further business to discuss, the meeting was adjourned at 6:55 p.m.

Minutes were approved at the August 28, 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