

October 22, 2014  
Regular Meeting  
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, October 22, 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. Vice President Joe Tonascia and Director Joe Torquato arrived late. 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**  
Prior to the vote, President Tobias stated Agenda Item #9 needs to be removed from tonight's agenda. Noting the removal of item #9, Director Flores made a motion and it was seconded 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: September 24, 2014 Special Meeting  
September 24, 2014 Regular Meeting**
- 2. Allowance of Claims**
- 3. Acknowledgement of Paid Claims prior to the October Board Meeting**
- 4. Acceptance of Quarterly Investment Report, Ending September 30, 2014**
- 5. Consider Resolution Recognizing Greig Bryan for 28 Years of Service**

With a motion by Director Bettencourt and a second by Director Flores, the Consent Agenda was unanimously approved.

### **REGULAR AGENDA:**

- 6. Discuss and Consider Approval of Recycled Water Agreement between the City of Hollister and San Benito County Water District for the use of Recycled Water from the City Water Reclamation Facility**  
Mr. Cattaneo stated this is similar to the agreement the District had with the City of Hollister (COH) for the treatment plant. The agreement calls for the District to build the facilities and the COH to provide the water. If there is any need to treat the water, the cost of this treatment will be the District's. Mr. Cattaneo stated the agreement has provisions for termination. The term of this agreement is for 30 years, with 10 year renewals after that. The COH approved this agreement at their October 20, 2014 council meeting.

With a motion by Director Flores and a second by Director Bettencourt, the Board of Directors unanimously approved the Recycled Water Agreement between the City of Hollister and San Benito County Water District for the use of Recycled Water from the City Water Reclamation Facility.

**7. Discuss and Consider Cost Sharing Agreement with Santa Clara Valley Water District for Pacheco Pass Water District and Authorize the District Manager to contract with Various Consultants for up to \$50,000**

Mr. Cattaneo stated this agreement is related to the possible acquisition of the Pacheco Pass Water District (PPWD), jointly by the District and Santa Clara Valley Water District (SCVWD). At this moment, PPWD has no governing structure so LAFCO is taking action on Thursday to begin to dissolve the District. This action, per Mr. Cattaneo, does not obligate the District to take on PPWD. The cost sharing agreement for \$50,000, will be equally split between the two districts, however, our District will take the lead.

One of the consultants Mr. Cattaneo intends to utilize will be Steve Verigan from GEI, to do an investigation of the facilities at PPWD. Mr. Cattaneo stated it likely the California Division of Safety of Dams (DSOD) will recommend some necessary repairs and it will be important to understand all of these costs first, before the District considers moving forward.

SCVWD is not going to their Board as the agreement is still in legal review and will go back to Mr. Pipal once that has been done.

*(Directors Joe Tonascia and Joe Torquato arrived at 6:10 p.m.)*

A member of the audience asked about the LAFCO dissolution on Thursday and what that means to SBCWD. Mr. Cattaneo replied this is only the beginning of the process. The audience member expressed concern for the taxpayers. Mr. Cattaneo stated all the details still need to be worked out. President Tobias added the District will due its due diligence before moving forward on this.

Noting this agreement would be subject to a final legal review by District counsel, a motion was made by Director Bettencourt and seconded by Director Flores; the Board of Directors unanimously approved of the Cost Sharing Agreement with Santa Clara Valley Water District for Pacheco Pass Water District and Authorized the District Manager to contract with Various Consultants for up to \$50,000.

**8. Discuss and Consider Ratifying District Manager's signing of the Tax Questionnaire and Tax Certificate for Sunnyslope County Water District's 2014 Tax Exempt Loan**

Mr. Cattaneo stated Sunnyslope County Water District (SSCWD) is refinancing their bonds and they are using tax exempt loans for the bonds. A requirement of this loan was a tax questionnaire be filled out by Jeff Cattaneo and for him to sign a tax certificate. This was an urgency item for SSCWD and Mr. Cattaneo discussed this matter with Mr. Pipal. Mr. Pipal reviewed both documents and stated Mr. Cattaneo could sign them as long as he had the Board ratify this action at the next board meeting.

With a motion by Director Torquato and a second by Vice President Tonascia, the Board of Directors unanimously Ratified the District Manager's signing of the Tax

Questionnaire and the Tax Certificate for Sunnyslope County Water District's 2014 Tax Exempt Loan.

**9. Discuss and Consider Amending Resolution #2014-17, Establishing an Interim Policy for Rescheduling of Unused/Conserved Water**

This item was removed from the agenda.

**10. Consider Authorizing District Manager and Director Attendance at the 2014 ACWA Fall Conference, December 2-5, 2014 in San Diego, California**

With a motion by Vice President Tonascia and a second by Director Torquato, the Board of Directors unanimously authorized up to the District Manager and one director to attend the 2014 ACWA Fall Conference, December 2-5, 2014 in San Diego, California.

**11. Consider Authorizing Director Attendance at the 2014 JPIA's Board of Directors' Meeting on December 1, 2014 in San Diego, California**

Director Bettencourt may consider attending. With a motion by Director Torquato and a second by Director Flores, the Board of Directors unanimously authorized up to one director attendance at the 2014 JPIA's Board of Directors' Meeting on December 1, 2014 in San Diego, California.

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

Regarding the Lessalt Water Treatment Plant, Mr. Blohm reported Specialty Construction Inc. (SCI) is slightly behind, anticipating perhaps a 4 week delay.

Director Torquato asked if the delay is directly related to the receipt of the pumps and the filter vessels. Mr. Blohm stated yes and it was not their fault. Director Torquato asked if it posed a financial issue; Mr. Blohm stated it did not.

Mr. Blohm stated the pre-start up work has begun. The original projection was November but now more likely to be December. Director Torquato asked when the Ridgemark line will be charged. Mr. Blohm stated during the 30 day acceptance period which will begin around December 1<sup>st</sup>.

Regarding the West Hills Water Treatment Plant, Mr. Blohm reported the review of the 90% plan document has been completed. Staff has agreed to wait for a decision on which mitigation approach is going to be used before proceeding. Next month, a request for proposal (RFP) will be circulated for construction management services. Mr. Blohm reported staff has approximately 8 firms in mind. The California tiger salamander is the critical path item at this point. Staff is still hopeful for construction to begin in April 2015.

Mr. Cattaneo reviewed the tranche report and pointed out the only change was the addition of \$190,000 for the contingency fund for HDR that wasn't carried forward.

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

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

As per Vice President Tonascia, he had nothing to report.

- b) **Administration Committee (Tobias/Flores)**  
As per Mr. Cattaneo, the committee discussed the Recycled Water Agreement, which has been covered.
- c) **Investment Committee (Flores/Tobias)**  
As per Director Flores, the Quarterly Investment Report was reviewed.
- d) **Personnel Committee (Tobias/Torquato)**  
As per Mr. Cattaneo, there was a Closed Session item and no action was taken. Also discussed was recruitment to replace the open position created by Greig Bryan's retirement.
- e) **Zone 6 Water Supply Committee (Tobias/Torquato)**  
As per Mr. Cattaneo, the rescheduled water resolution was discussed.
- f) **Pacheco Reservoir Exploratory Ad Hoc Committee (Tobias/Flores)**  
As per President Tobias, the Cost Sharing Agreement for Pacheco Pass Water District with SCVWD was discussed.

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

- a) **Reach 1 Operations**  
Mr. Cattaneo reported the only upcoming item would be the quarterly meeting in November.
- b) **Zone 3 Operations**  
Mr. Cattaneo stated there isn't much to report as the reservoirs are empty and there isn't any maintenance activity going on.
- c) **Zone 6 Operations**  
Mr. Cattaneo reported the District will continue to draw down San Justo Reservoir for the rest of the year and leave as much of our stored water in San Luis Reservoir as we can.
- d) **San Luis Delta Mendota Authority Activities**  
Mr. Cattaneo reported the discussion at SLDMWA was the water supply for the 2015-2016 year. Even with an average year of rainfall, the Ag allocation may only be 20-35%. Also, SLDMA has an excess in their reserves that they intend to refund to its members. The District's share, per Mr. Cattaneo, will be approximately \$32,000.

**15. Adjournment**

With no further business to discuss, the meeting was adjourned at 6:33 p.m.

Minutes were approved at the November 19, 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