

October 28, 2015
Regular Meeting
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, October 28, 2015 at 6:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Joe Tonascia, Vice President Sonny Flores and Directors John Tobias, Frank Bettencourt and Bob Huenemann. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel David E. Pipal, Assistant Manager Sara Singleton, Supervising Accountant Natalie Sullivan, Water Conservation Program Manager Shawn Novack, Consultant Harry Blohm and Office Specialist III Barbara Mauro.

CALL TO ORDER

President Tonascia called the meeting to order at 6:00 p.m.

- a. **Pledge of Allegiance to the Flag**
President Tonascia led the Pledge of Allegiance.
- b. **Speakers will be limited to 5 minutes to address the Board; rebuttal will be limited to 3 minutes; no new business agenda items will be heard after 9:00 p.m.**
- c. **Approval of Agenda**
With a motion by Director Tobias and a second by Vice President Flores; the Agenda was unanimously approved.
- d. **Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda**

CONSENT AGENDA:

1. **Approval of Minutes for: September 30, 2015 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, 2015**

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

REGULAR AGENDA:

5. **Discuss and Consider Authorizing the District Manager to sign San Luis & Delta-Mendota Water Authority Exchange Contractors 2014-2018 Transfer Program Activity Agreement**
Mr. Cattaneo stated the Board has previously seen this in 2014, but it has taken some time for the San Luis & Delta Mendota Water Authority to get us the final document. The agreement is between the Exchange Contractors, SLDMWA, the Bureau and the Madera Irrigation District. Mr. Cattaneo stated it is a sliding scale for both distribution and cost; the higher the allocation, the lower the cost and the lower the allocation, the higher the cost. There will be discussions at the Board level before purchasing any of

this water, should it come available. The water would be in addition to our allocation, in a good year.

With no questions from the Board, a motion was made by Director Bettencourt and seconded by Director Tobias; the Board unanimously approved the San Luis & Delta-Mendota Water Authority Exchange Contractors 2014-2018 Transfer Program Activity Agreement and Authorized the District Manager to sign the agreement.

6. Discuss and Consider Approval of Amendment #1 to the Loan and Grant Agreement between the San Benito County Water District and the California State Water Resources Control Board for the SBCWD Recycled Water Project and Authorize the District Manager to sign Amendment (\$1,268,507)

Mr. Cattaneo stated the District was funding the Recycled Water Project with two different sources; Prop 84 and Prop 13. The District estimated the cost to be around \$2 million at the beginning of the project and the costs were actually lower, so the District will need only the Grant funds and none of the loan funds. The Board action today, per Mr. Cattaneo, would be to approve the agreement amendment. Approving the amendment does not approve any commitment, just streamlines the process and avoids further legal review by the California State Water Resources Board.

Mrs. Singleton added this would lock in the grant money for the District and another amendment will come before the Board for approval after this one.

With no questions from the Board, a motion was made by Director Tobias and seconded by Vice President Flores; the Board unanimously Approved of Amendment #1 to the Loan and Grant Agreement between the San Benito County Water District and the California State Water Resources Control Board for the SBCWD Recycled Water Project and Authorize the District Manager to sign Amendment (\$1,268,507).

7. Discuss and Consider Authorizing the District Manager sign Agreement with Bartle Wells Associates for Financial Advisory Services related to Tranche #3 Financing for the Hollister Urban Area Water Project (\$ 20,000)

Mrs. Singleton stated before the Board is a contract between the District and Bartle Wells for advisory services related to Tranche #3. Mrs. Singleton stated there is a provision in the Water Supply and Treatment for Tranche #3 for the remainder of the West Hills Water Treatment Plant costs. Other firms were reviewed for these services but staff and the Administration Committee are recommending the Board approve the contract with Bartle Wells. Bartle Wells was also recommended by Sunnyslope County Water District (SSCWD). Mrs. Singleton added the amount needed for Tranche #3 is too small for bond financing. The Board would be approving only the contract for advisory services. The repayment of the financing would be paid through the capital component with the City of Hollister (COH) and SSCWD.

Mr. Cattaneo added he has had discussions with our partners (COH, SSCWD) and they have acknowledged the need for the 3rd Tranche and also the recommendation to go with Bartle Wells.

Director Tobias added the District also had discussions with Frank Soriano, but his firm's fees were much higher.

Director Huenemann asked if this is similar to how Tranche #1 and #2 were handled. Mr. Cattaneo stated no, #1 & #2 were internally financed.

With no further questions, a motion was made by Vice President Flores and seconded by Director Bettencourt; the Board unanimously Authorized the District Manager to sign the Agreement with Bartle Wells Associates for Financial Advisory Services related to Tranche #3 Financing for the Hollister Urban Area Water Project (\$ 20,000).

8. Discuss and Consider Authorizing the District Manager to sign Agreement with Corpro, Inc. for the Pipeline Close Interval Survey Corrosion Study and Analysis Work (\$24,000)

Mr. Cattaneo stated this is a requirement by the Bureau every 5 years, to have the Hollister Conduit inspected to ensure correct operation and corrosion protection. As recent events have shown, the District is fortunate to have a pipeline that has cathodic protection, because Santa Clara Valley Water District's (SCVWD) pipeline had a major failure and does not have cathodic protection. Mr. Cattaneo reminded the Board that when we had the accidental drilling error in the Hollister Conduit, the District was pleased to see what good shape the pipe was in. This study and analysis would be done by the same vendor who has done the work since the conduit was installed and their bid was significantly lower than the other 2 bids.

Director Huenemann asked if the measurement is done every 5 feet. Mr. Cattaneo stated they string wire the entire length of the pipeline and test at the necessary intervals.

With no further questions, a motion was made by Director Bettencourt and seconded by Vice President Flores; the Board unanimously Authorized the District Manager to sign the Agreement with Corpro, Inc. for the Pipeline Close Interval Survey Corrosion Study and Analysis Work (\$24,000).

9. Discuss and Consider Resolution Adopting the San Benito County Water District, United States Bureau of Reclamation Ag Water Management Plan

Mr. Novack stated this plan is updated every 5 years but the updates contained in it are done annually. This report is a comprehensive document of how the District operates.

With no questions from the Board, a motion was made by Director Tobias and seconded by Director Bettencourt; Resolution #2015-19, *A Resolution of the Board of Directors of the San Benito County Water District Adopting the San Benito County Water District's Water Conservation/Water Management Plan as Required by United States Bureau of Reclamation Regulations* was unanimously approved.

10. Discuss and Consider Changing the Regular Board Meeting Dates for the Months of November and December 2015, currently scheduled for:

- **November 25, 2015**
- **December 30, 2015**

With a motion by Director Tobias and a second by Director Bettencourt; the Board unanimously agreed to change the November meeting to November 18, 2015 and the December meeting to December 16, 2015.

11. Consider Authorizing Director Attendance at the 2015 ACWA/JPIA's Board of Directors' Meeting on November 30, 2015 in Indian Wells, California

The Board agreed to allow Director Bettencourt to attend the 2015 ACWA/JPIA Board of Directors' Meeting in Indian Wells on November 30, 2015.

12. Consider Authorizing District Manager and Director Attendance at the 2015 ACWA Fall Conference, December 1-4, 2015 in Indian Wells, California

The Board agreed to allow attendance at the upcoming ACWA Conference in Indian Wells on December 1-4, 2015; members are to contact Barbara Mauro for registration and hotel reservations if interested.

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

Mr. Blohm began with an update on the West Hills Water Treatment Plant (WHWTP). Construction is underway at the site and the contractor has been working for approximately 6 weeks. Staff and members of the construction staff meet weekly. The construction is on schedule and the installation of the raw water pipeline is nearing completion. Foundation issues have been solved but soil issues have come up. HDR feels there is a need for cathodic protection. Discussion ensued about the kind of pipe and fittings being used for the project.

Mr. Blohm continued with an update on the Chromium VI. Three of the COH's wells are out compliance. HDR's plan is to abandon one of the wells and blend water at the other two with treated water from the WHWTP. The COH has accepted HDR's plan and it will now be presented to the Division of Drinking Water.

Director Bettencourt asked if the deadline for compliance had been extended. Mr. Blohm stated yes, to 4 years but WHWTP will be done in 2 years.

14. Committee/Agency Representative Reports:

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

As per Mr. Cattaneo, an update on water supply was given and due to salinity issues, only 1 pump is being run. There was also a presentation on public outreach and they are looking for about \$3 million to fund this. President Tonascia added this is for educational information only.

b) Pajaro River Watershed Flood Prevention Authority (Bettencourt/Flores)

As per Director Bettencourt, there will be a meeting on November 4th, which may include Congressman Farr and Senator Feinstein as well as the Army Corps of Engineers.

c) Water Resources Association (Flores/Bettencourt)

As per Mr. Novack, the committee discussed drought efforts, reminders to residents to turn off their irrigation systems and also upcoming school programs.

- d) **Administration Committee (Tobias/Flores)**
As per Directors Tobias and Flores, the contract with Bartle Wells was reviewed.
- e) **Investment Committee (Flores/Tobias)**
As per Directors Tobias and Flores, the quarterly investment report was reviewed.
- f) **Zone 3 Water Supply & Operations Committee (Tonascia/Huenemann)**
As per Director Huenemann, the committee agreed to hire a consultant (Jeff Micko) to put in a telemetry system at Hernandez Reservoir for approximately \$14,000. Mr. Cattaneo added, some existing equipment is being tested and then the District is ready to order what is needed, which may reduce the cost.
- g) **Zone 6 Operations Committee (Bettencourt/Tonascia)**
As per President Tonascia, the proposal from Corrpro was discussed.
- h) **City of Hollister RDA Advisory (Tobias)**
As per Director Tobias, the committee discussed phasing out the current name and the next scheduled meeting won't be until after the first of next year.

15. District Manager/Engineer's Report:

- a) **Reach 1 Operations**
Mr. Cattaneo reported staff is trying to schedule a joint meeting between our District and SCVWD's two committees. Subjects to be discussed are the corrosion issue in the Pacheco Pipeline and SCVWD's continued demand for an extra valve at bifurcation.
- b) **Zone 3 Operations**
Mr. Cattaneo reported there is roadwork and grading needed. District staff, along with GEI representatives, is going out to Paicines and Hernandez to start work on the Emergency Action Plans. Also, due to the shortage in the maintenance department, Mr. Cattaneo reported he has hired Greig Bryan on a part-time, hourly basis, to do the necessary mowing.
- c) **Zone 6 Operations**
Mr. Cattaneo reported he has had discussions with the California Department of Fish and Wildlife (CDFW) regarding the zebra mussels in San Justo Reservoir. All (District, San Benito County, CDFW) are discussing how to move forward on eradication without any available funding.
- d) **San Luis Delta Mendota Authority Activities**
Mr. Cattaneo reported this has already been covered.
- e) **Pacheco Pass Water District**
Mr. Cattaneo reported no action on this; he is waiting for SCVWD to schedule a meeting.

16. Adjournment

With no further business to discuss, the meeting was adjourned at 6:48 p.m.

The minutes were approved at the November 18, 2015 Board Meeting and signed by the presiding board member.

/s/ Joseph A. Tonascia
Joseph A. Tonascia, President

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