

October 26, 2016
Regular Meeting
6:02 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, October 26, 2016 at 6:02 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: Vice President John Tobias and Directors Frank Bettencourt, Joe Tonascia and Bob Huenemann; President Sonny Flores was absent. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel David E. Pipal, Assistant Manager Sara Singleton, Deputy District Engineer Garrett Haertel, Supervising Accountant Natalie Sullivan, Consultant Harry Blohm and Board Clerk/Office Specialist III Barbara Mauro.

CALL TO ORDER

Vice President Tobias called the meeting to order at 6:02 p.m.

- a. **Pledge of Allegiance to the Flag**
Vice President Tobias 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 Tonascia and a second by Director Huenemann, the Agenda was unanimously approved.
- d. **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 28, 2016 Regular Meeting
October 12, 2016 Special 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, 2016**

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 Resolution Adopting the San Benito County Operational Area Multi-Jurisdictional Local Hazard Mitigation Plan**

Mr. Haertel stated in 2015, the local jurisdiction met and created a hazard mitigation plan. If a significant hazardous event should occur in San Benito County, this plan would be the response. Having this plan in place, per Mr. Haertel, allows FEMA (Federal Emergency Management Agency) to activate emergency funding.

Director Bettencourt asked if this involved any training. Mr. Haertel stated no, just a meeting with San Benito County Office of Emergency Services.

With no further questions, a motion was made by Director Tonascia and seconded by Director Bettencourt, Resolution #2016-16, *A Resolution of the Board of Directors of the San Benito County Water District Adopting the San Benito County Operational Area Multi-Jurisdictional Local Hazard Mitigation Plan* was unanimously approved.

6. Discuss and Consider Approval of Pacheco Conduit Reach 1 Condition Assessment and Possible Rehabilitation Project \$8,940,000 (San Benito County Water District's share \$1,966,800)

Mr. Cattaneo reminded the Board at the September meeting, Santa Clara Valley Water District (SCVWD) made a presentation to the Board on this project. The only change from the presentation is the timing and scheduling of the shutdown. Mr. Cattaneo stated staff has successfully negotiated to minimize the outage for our District. The dates of the planned shutdown are: January 13, 2017 through February 27, 2017. The actual shutdown may be longer due to the time needed to dewater and recharge the conduit. Mr. Cattaneo stated the funds for this project will come out of the Reach 1 Capital Reserves.

Based on the presentation in September, Director Huenemann asked if the 2nd valve at Bifurcation is necessary. Mr. Cattaneo stated he doesn't feel it is. The cost of this valve is approximately \$200,000 installed. Initially, the District was to pay 100% of this cost, now we are paying our Reach 1 shared amount which is 22%. Mr. Cattaneo stated if he is looking at the big picture, the District does receive some benefit from this additional valve. Vice President Tobias added a good working relationship with SCVWD is an additional benefit.

With no further questions, a motion was made by Director Bettencourt and seconded by Director Huenemann; the Board of Directors unanimously approved of the Pacheco Conduit Reach 1 Condition Assessment and Possible Rehabilitation Project \$8,940,000 (San Benito County Water District's share \$1,966,800).

7. Discuss and Consider setting the November and December Board Meeting dates for 2017

Mrs. Singleton stated the purpose of this item, is so the District can publish the 2017 calendars at the beginning of the year. Mrs. Mauro stated the November 2017 Board Meeting could remain, as it does not conflict with the Thanksgiving holiday. Staff is recommending moving the December 2017 Board Meeting a week earlier, to December 20th from December 27th. With a motion by Director Bettencourt and a second by Director Huenemann, the Board of Director unanimously agreed to change the date of the December Board 2017 Meeting to December 20, 2017.

8. Consider Authorizing Director Attendance at the 2016 ACWA/JPIA's Board of Directors' Meeting on November 28, 2016, Anaheim, California

Director Bettencourt expressed interest in attending the Board of Directors' Meeting. Mrs. Mauro will make the necessary travel arrangements.

9. Consider Authorizing District Manager and Director Attendance at the 2016 ACWA Fall Conference, November 28th through December 2, 2016 in Anaheim, California

If any Directors wish to attend, they are to contact Mrs. Mauro so she can register them for the conference and make the necessary travel arrangements.

10. Staff Report on the 4th Quarter Financial Reporting

Mr. Cattaneo stated staff will give the Board a recap of the District budget versus the actual and reminded them all figures are unaudited.

Mr. Cattaneo began with a review of the Operating Budget.

Director Huenemann stated the District bought additional water; do we plan to sell it in a future year? Mr. Cattaneo stated yes, in either the next fiscal year or two, but based on all the fees involved, it becomes a wash to the District.

Mr. Cattaneo reviewed the reclassification of closed projects, in the amount of \$1.497 million.

In conclusion, the Net Operating Income, after transfers and contributions, shows the actual was \$183,980 and the budgeted amount was \$294,784.

Regarding the Capital Budget, Mr. Cattaneo reviewed the various items under preliminary surveys and investigation, construction projects and other capital expenses

Director Huenemann asked about Pacheco Pass Water District, isn't this a moot point now they have a board? Mr. Cattaneo stated yes, that is correct, the District no longer needs to evaluate the Pacheco Pass Water District at this time.

Richard Bettencourt, a member of the audience, asked if the District charged Pacheco Pass Water District for the \$24,000 it has spent. Mr. Cattaneo stated no, SBCWD funded their own investigation of Pacheco Pass Water District.

Also reviewed for the Board was the amount paid to the USBR for the annual payment on the CVP Amendatory Contract.

Mr. Bettencourt asked if the District inspects the Paicines Canal for rodents. Mr. Cattaneo stated yes, on a regular basis.

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

Mr. Blohm began with a report on the West Hills WTP. The projected completion date is approximately July 1st and the contractor has provided the District with a revised schedule. Performance testing will begin in March and they are currently working on the foundations of the administration building and the shops. The contractor continues to be ahead of schedule, per Mr. Blohm.

Regarding the recycled water storage pond, Mr. Blohm reported the contractor is hoping to install the liner ahead of tomorrow's rain, but it won't be welded into place yet. Some plumbing issues have been encountered but Mr. Haertel is working on them.

Regarding the Hexavalent Chromium VI (Chrom VI), Mr. Blohm reported there is a delay with the crosstown pipeline connection due to well #5. A design change is needed and then a change order, which will be at the City of Hollister's expense. Director Bettencourt asked about the timeframe with the State regarding the Chrom VI and Mr. Blohm stated we were given 4 years but we will probably only have needed 18 months to address the issue.

Regarding the Master Plan Update, a meeting was held last week and water supply options and infrastructure items were discussed. All agencies are pleased with the progress being made on the Master Plan and another meeting is scheduled for tomorrow to continue discussion with SBCWD on water supply options.

12. Committee/Agency Representative Reports:

- a) **San Luis Delta Mendota Water Authority (Tobias/Tonascia)**
As per Mr. Cattaneo, he will cover this during his manager's report.
- b) **Water Resources Association (Flores/Bettencourt)**
Director Flores is absent, and Director Bettencourt did not attend.
- c) **Administration Committee (Tobias/Flores)**
As per Director Tobias, this was covered earlier in the meeting.
- d) **Investment Committee (Flores/Tobias)**
As per Director Tobias, the committee discussed the Investment Report.

13. District Manager/Engineer's Report:

- a) **Reach 1 Operations**
As per Mr. Cattaneo, this has already been covered.
- b) **Zone 3 Operations**
Mr. Cattaneo reported last month, District staff replaced all of the hydraulic lines that operate the 2 butterfly valves at Hernandez Reservoir. Staff pulled out the hydraulic valve operator for repair and hope to have it back sometime next week. Tomorrow, District staff will go and open up the valve before the heavy rain comes.

Director Huenemann asked if the 2 valves operate off the same hydraulic system. Mr. Cattaneo stated no, they operate independently.
- c) **Zone 6 Operations**
Mr. Cattaneo reported the District has experienced numerous breaks in sub 9 during this time.
- d) **San Luis Delta Mendota Authority Activities**
Mr. Cattaneo reported Ron Milligan, Operations Director from the Bureau, attended the Board meeting. He gave them an update on the Federal System and stated the Coordinated Operations Debt (the water borrowed from the State by the Federal System) is almost at -0-. The early allocation estimate for next year's water supply is 10-15% for Ag and 60-65% of historic use for M & I.

e) **Recycled Water**

Mr. Cattaneo reported the storage pond project should be completed in 2-3 weeks. The District will start testing and will likely run water out to the airport.

14. Adjournment

With no further business to discuss, the meeting was adjourned at 7:02 p.m.

Minutes were approved at the November 30, 2016 Board Meeting and signed by the presiding board member.

/s/Sonny Flores
Sonny Flores, President

/s/Barbara L. Mauro
Barbara L. Mauro, Board Clerk