

November 19, 2014
Regular Meeting
6:02 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, November 19, 2014 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, Vice President Joe Tonascia, and Directors Sonny Flores, Frank Bettencourt and Joe Torquato. 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 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**
Director Torquato asked to address the Board and was directed to the podium. As this was his last Board meeting, Director Torquato wanted to thank the Board for the education and fellowship he received from them. Director Torquato also thanked staff for their efforts.

CONSENT AGENDA:

- 1. Approval of Minutes for: October 22, 2014 Regular Meeting**
- 2. Allowance of Claims**
- 3. Acknowledgement of Paid Claims prior to the November Board Meeting**
- 4. State Water Rights Fees**
 - a. Approve Payment of Water Rights Fees Under Protest and Petition for Reconsideration For Zone 6**
 - b. Confirming District Manager's Authority to Sign Agreement Regarding Authorization of Representation by Somach, Simmons & Dunn for 2014-2015 Fiscal Year with respect to State Water Rights Fees**

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

REGULAR AGENDA:

5. Discuss and Consider Resolution Authorizing the District Manager to File a Financial Assistance Application for a Financing Agreement with the State Water Resources Control Board for the Planning, Design and Construction of the San Benito County Water District Recycled Water Project

Mr. Cattaneo stated the District received a grant for \$1.1 million for the Recycled Water Project, which will leave a balance of \$1-\$2 million for the project. Staff is proposing applying for State Revolving Funds, which have an interest rate of 1%. Mr. Cattaneo added there is a possibility the Hollister Urban Area Water Projects (HUAWP) may need additional funding, so the District may consider rolling some of these funds into that project. Mr. Cattaneo added action tonight does not obligate the District to the loan; the action would be authorizing the District Manager to negotiate with the state.

Mrs. Singleton added there may also be an opportunity for additional grant funds with the recent passage of the State Water Bond. Mr. Cattaneo further added it is too soon to know about funds from the Water Bond.

With a motion by Vice President Tonascia and a second by Director Torquato, Resolution #2014-19, *A Resolution of the Board of Directors of the San Benito County Water District Authorizing the District Manager to File a Financial Assistance Application for a Financing Agreement with the State Water Resources Control Board for the Planning, Design and Construction of the San Benito County Water District Recycled Water Project* was unanimously approved.

6. Discuss and Consider Resolution Authorizing Access to Summary Criminal History Information for Employment, Licensing or Certification Purposes

Mrs. Singleton stated the District currently does not do a criminal background check for new employees. As of July 2014, employers cannot legally ask if an applicant has a criminal record. Mrs. Singleton stated in order to participate in Live Scan, a service provided at the San Benito County Office of Education, the District must have a resolution in place, as private records cannot be shared. Mrs. Singleton stated staff would only have the final 2-3 candidates for an open position do the background check.

Vice President Tonascia asked if this would apply to Board members. Mr. Pinal stated no, as they go through the electoral process.

Director Flores asked if the District would need to establish a policy on how to use this information. Mrs. Singleton stated this information will be used just in the hiring process.

President Tobias added this could be discussed at the next Personnel Committee Meeting. Mr. Cattaneo stated staff could ask the labor attorney and added President Tobias would need to appoint someone to the Personnel Committee.

With a motion by Director Flores and a second by Director Bettencourt, Resolution #2014-20 *A Resolution of the Board of Directors of the San Benito County Water District Authorizing Access to Summary Criminal History Information for Employment, Licensing or Certification Purposes* was unanimously approved.

7. Discuss and Consider Approval of the San Luis & Delta-Mendota Water Authority Yuba Transfer 2015-2025 Activity Agreement and Authorize the District Manager to Sign Agreement Mr. Cattaneo stated the original agreement for the Yuba Transfer was originally entered into by Yuba, the Department of Water Resources (DWR) and the Bureau participants. The term for the new agreement will be 2015 to 2025. There are 4 different types of water, based on different conditions, and the cost varies from \$50/AF to about \$350/AF, which Mr. Cattaneo reviewed for the Board. The water, per Mr. Cattaneo is split, 50/50, between the DWR and the Bureau.

The original agreement sunsets on the pricing structure and could terminate in 2015. The new agreement, per Mr. Cattaneo, has a \$20 million deposit (\$10 million from Authority Members), which would equal approximately a \$215,000 cost to the District, and be due to the DWR by December 12, 2014. Mr. Cattaneo also reviewed the new pricing structure for the new agreement. Staff and the Zone 6 Water Supply Committee are recommending Board approval, as this is a critical part of the District's water supply.

With a motion by Director Torquato and a second by Director Bettencourt, the Board of Directors unanimously Approved of the San Luis & Delta-Mendota Water Authority Yuba Transfer 2015-2025 Activity Agreement and Authorized the District Manager to Sign Agreement.

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

Mr. Blohm stated the contractor for the Lessalt Upgrades will be asking for a no cost time extension due to unforeseen items that came up; the anticipated take over from the contractor will be January 2, 2015. Mr. Blohm stated on December 1, 2014, they will begin a 30 day test at Lessalt. Mr. Cattaneo stated there will be a minor cost increase, around \$15,000, related to the project delay. Mr. Blohm added the Potential Charge Order Log (PCO Log) is around \$155,000 thus far, but it is still less than 2.5% of the total contract which is very low. The California Division of Drinking Water (CDDW) has agreed with the start-up process developed by the contractor.

Director Torquato asked if the District had a performance guarantee from Kennedy-Jenks; Mr. Blohm stated no.

President Tobias asked if Sunnyslope County Water District (SSCWD) has a lead person. Mr. Blohm stated Jim Felice is the lead person from SSCWD and continuity is important. Mr. Roskamp added Mr. Felice has been great.

Regarding the West Hills Water Treatment Plant (WHWTP), the 95% plans/specifications were received today from HDR, which includes all of the staff comments. Mr. Blohm stated it won't be at 100% until we have a construction management consultant (CM) in place. Mr. Blohm stated an RFP will done and he is hopeful there will be a recommendation to the Board for approval at a meeting in January. Once in place, the CM will do a constructability review and Mr. Blohm is hopeful we can go to bid for the WHWTP in April A lot depends on the Incidental Take Permit (ITP).

Mr. Rosskamp stated the District has submitted a revised ITP to the California Department of Fish and Wildlife (CDFW) and they have deemed it complete. This has now triggered a 90 window for them to approve or deny it. Also, they are looking for our mitigation procedure. The District can also ask for an extension (another 60 days) so the total time could be 150 days.

Discussion ensued about the appeal process and the increase in construction costs if the project is delayed. Mr. Rosskamp stated the Santana Ranch project is using the Sparling Ranch for mitigation, and we are hopeful we will also be allowed to use them also.

Another issue discussed by Mr. Blohm was the Chromium 6 issue and how SSCWD and the City of Hollister (COH) will be affected by it. SSCWD only has one well affected by this, but the COH's wells are all in non-compliance. The COH has asked for assistance with a plan for the Chromium 6 but it will be entirely funded by them. Mr. Blohm stated this will involve an amendment of the MOU and the managers are currently working on this modification.

Discussion ensued about how this issue can be addressed and the costs that are involved. Director Torquato asked if it is solely a COH issue, why include it in the MOU? Mr. Cattaneo stated it affects the overall project. Mr. Blohm added they are recommending a hybrid approach and it will be important to keep on schedule.

Mr. Cattaneo reviewed the tranche report for the Board.

9. Committee/Agency Representative Reports:

- a) **San Luis Delta Mendota Water Authority (Tobias/Tonascia)**
As per Vice President Tonascia, the Yuba Agreement and the upcoming water year allocation were discussed. Due to the drought, even if we receive normal rainfall, the predicted Ag allocation will be 0% to 20%.
- b) **Pajaro River Watershed Flood Prevention Authority (Bettencourt/Flores)**
As per Director Bettencourt, the Bank Excavation project is being worked on. The excavation is done; they are now planting grasses, etc. Also discussed was the 152 Highway alignment.
- c) **Water Resources Association (Flores/Bettencourt)**
As per Director Flores, regular business was discussed.
- d) **Administration Committee (Tobias/Flores)**
As per Mr. Cattaneo, the committee had a closed session item.
- e) **Finance Committee (Bettencourt/Torquato)**
As per Director Torquato, the 1st quarter report was reviewed.
- f) **Zone 6 Water Supply Committee (Tobias/Torquato)**
As per President Tobias, the Yuba Activity Agreement was discussed.

10. District Manager/Engineer's Report:

a) Reach 1 Operations

Mr. Cattaneo reported Santa Clara Valley Water District (SCVWD) hoped to have the isolation valve installed at Bifurcation this year; it doesn't appear that will be done. The cost sharing for this valve will be the same as all other Reach 1 work, which is a 78/22 split (SCVWD/SBCWD). There were no quarterly meetings this week.

b) Zone 3 Operations

Mr. Cattaneo reported the District did get a little rain but there was no run-off.

c) Zone 6 Operations

Mr. Cattaneo reported the District has been working of San Justo Reservoir, but have now switched back to using San Luis Reservoir.

d) San Luis Delta Mendota Authority Activities

Mr. Cattaneo reported the main focus was the Yuba Activity Agreement. Also, next year's initial Ag allocation is likely going to be 0%.

President Tobias asked how much water do we have stored in San Luis Reservoir? Mr. Cattaneo stated 4400 AF but plans to move it out March 1st.

11. EXECUTIVE SESSION:

Conference with legal counsel—Existing litigation

Government Code 54956.9(a)

**San Benito County Water District v. Randy McAlpine
(CL-13-00437)**

The Board went into Executive Session at 7:02 p.m.

12. OPEN SESSION:

Report action, if any

The Board returned from Executive Session at 7:15 p.m. and President Tobias reported no action was taken.

13. Adjournment

With no further business, the meeting was adjourned at 7:16 p.m.

Minutes were approved at the December 17, 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