

December 17, 2014
Regular Meeting
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, December 17, 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, Vice President Joe Tonascia and Directors Frank Bettencourt, Sonny Flores and Bob Huenemann. 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 6:00 p.m.

- a. Pledge of Allegiance to the Flag**
President Tobias led the pledge of allegiance.
- b. Approval of Agenda**
With a motion by Vice President Tonascia 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**
Joe Torquato asked to address the board. Mr. Torquato congratulated Bob Huenemann on his election to the board. Now that he is a member of this board, Mr. Torquato recommended Director Huenemann be a productive member of this Board and put aside his personal agenda.

CONSENT AGENDA:

- 1. Approval of Minutes for: November 19, 2014 Regular Meeting**
- 2. Allowance of Claims**
- 3. Acknowledgement of Paid Claims prior to the December Board Meeting**
- 4. Recognizing Dave Dungan for 10 Years of Service, Certificate Issued**

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

REGULAR AGENDA:

- 5. Discuss and Consider Payment of United States Bureau of Reclamation Contract #8-07-20-W0130A payment due date, January 1, 2015**
Mr. Cattaneo stated at a previous meeting, staff brought up an option of payment deferral for the payment to the USBR, because last water year, the District received a 0% allocation for Ag. Mr. Cattaneo stated 50% of the District's revenue comes from the sale of water. Prior to 2007, capital costs were paid through our rate structure and if the District received no water, no capital payment was due and this was reviewed by the Bureau every 5 years. The current contract has a fixed repayment schedule and , the payment is due regardless of what water allocation the District receives. At the Board

Meeting, the Board agreed to have staff review the option of deferment. Mr. Cattaneo stated that staff found out the provision for deferment is difficult. The District would have to demonstrate their inability to borrow, obtain bonds and have no reserves. Based on these provisions, the District would not qualify for the deferment and therefore staff recommends making the payment. This payment is included in tonight's claims.

With a motion by Director Flores and a second by Vice President Tonascia, the Board of Directors unanimously agreed to make the payment to the United States Bureau of Reclamation Contract #8-07-20-W0130A, payment due date, January 1, 2015.

6. Discuss and Consider Authorizing District Manager to Execute Contract Amendment with Dahl Consultants Contract for Construction Management Services Related to Lessalt Water Treatment Plant Upgrades

Mr. Cattaneo stated the Board originally authorized Dahl Consultants, in June 2013, with an anticipated 12 month time construction, for construction management and the contract included pre-construction tasks. Mr. Cattaneo outlined for the Board the unavoidable delays. The run-over time may be 60 days and staff has negotiated a no cost extension for Specialty Construction but the construction management team is needed for completion of the work. The amount needed for Dahl would be \$41,000. Mr. Cattaneo added Dahl has done a really good job, especially with the management of the change orders.

President Tobias added the Administration Committee discussed this amendment and recommends approval.

Director Huenemann asked if the work is on schedule. Mr. Cattaneo stated the 30 day testing has begun and the District expects the plant to be turned over in early January.

With a motion by Director Bettencourt and a second by Vice President Tonascia, the Board unanimously Authorized the District Manager to Execute a Contract Amendment with Dahl Consultants Contract for their Construction Management Services related to Lessalt Water Treatment Plant Upgrades.

7. Discuss and Consider Approval of Amendment to the Memorandum of Understanding to the Hollister Urban Area Water and Wastewater Master Plan Update

Mr. Cattaneo stated this item is for an amendment to the MOU to the Hollister Urban Area Water and Wastewater Master Plan Update (Plan). Mr. Cattaneo gave the background on the Plan and explained the original intent was to update the Plan in about 10 years, through the MOU, which was just recently done. The purpose of this amendment is related to the hexavalent chromium issue. The City of Hollister (City) is out of compliance. Once the West Hills Water Treatment Plant (WHWTP) is on-line, this should help. Options are being considered with HDR and Todd Engineers to blend the well water with water from the new treatment plant. The actions needed, per Mr. Cattaneo, will be to amend HDR's contract and amend the MOU for the Plan. The City would use the District to amend the contract but would be 100% responsible for this portion of the work.

Mr. Blohm added there is agreement among the agencies on the tasks and how to proceed. The City will be responsible for the costs. While the solution to the problem is not known yet, a number of options are being considered. Mr. Blohm stated the City approved this on Monday night and Sunnyslope County Water District (SSCWD) approved it last night.

President Tobias asked if there is a fixed date for the regulations. Mr. Blohm stated they have 12 months, but extensions may be allowed if the work to fix the issue is under contract.

Discussion ensued on whether the drought affected this issue, which Mr. Blohm stated it did not. Also, Mr. Blohm stated SSCWD had one well that was suspect but that all of the City's wells are out of compliance. Director Huenemann asked about the source and why it affected the City more. Mr. Cattaneo stated it is naturally occurring in the aquifer and Mr. Blohm added the consultants are doing an investigation on this as well.

With a motion by Vice President Tonascia and a second by Director Flores, the Board unanimously Approved the Amendment to the Memorandum of Understanding to the Hollister Urban Area Water and Wastewater Master Plan Update.

8. Mid Pacific Water Users Conference, January 21 through 23, 2015 in Reno, Nevada

a. Consider District Manager and Director Attendance

The only change for this item, per Mr. Cattaneo, would be the District Manager or his designee for attendance.

Noting that one change, a motion was made by Vice President Tonascia and seconded by Director Flores, the Board unanimously approved for the District Manager or his designee and Director Attendance at the Mid Pacific Water Users Conference, January 21 through 23, 2015 in Reno, Nevada.

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

Regarding the Lessalt project, Mr. Blohm stated the testing began in December and January 2nd is the projected date for turnover of the plant. Mr. Cattaneo added that overall the project went smoothly. Specialty Construction is doing a good job and the construction management by Dahl and the design work by Kennedy-Jenks, was also very good. The plant has begun to deliver water to the high zone.

Regarding the WHWTP, 95% of the specifications and plans are complete by HDR, but we are waiting to complete to 100% until the issue with endangered/threatened species is resolved. Mr. Blohm reviewed the status of the Incidental Take Permit (ITP). Mr. Blohm added there is no indication that April 2015 as a start date is unrealistic. The next item needed will be construction management for the WHWTP. Mr. Cattaneo stated when preparing an RFP for this, the list of potential consultants was reviewed by the managers. The group felt the best choice would be a combination of Dahl Consultants and Kennedy-Jenks. Mr. Cattaneo added HDR was considered but all felt having someone other than the designer of the plant do construction management would be better.

Mr. Blohm added, regarding the Bacon Act, that it precludes the choosing of professional services based solely on the price. Mr. Blohm has asked Dahl/Kennedy-Jenks, to give a complete proposal with a proposed budget for 27 months.

President Tobias asked if the District hired Dahl/Kennedy-Jenks individually or separate for the Lessalt project. Mr. Blohm stated separately. Mr. Cattaneo added the Lessalt was a much smaller project than the WHWTP will be. At Lessalt, Dahl did all the construction management and Kennedy-Jenks did the engineering work needed during construction. At the WHWTP, HDR, as the designer, will do all of the engineering work. Mr. Blohm stated the basis of the negotiation will be to use the strengths of each of their agencies. Mr. Cattaneo added for the WHWTP there will be one contract, with Dahl, and Kennedy-Jenks will be the sub.

Director Huenemann asked if this passed legal review and if a sole source is okay. Mr. Pipal replied that the Board cannot take action on this tonight and yes, a sole source is okay. Mr. Blohm added this is a staff report only tonight. Mr. Cattaneo stated this will go to committee in January and will then be an action item for the Board.

10. Committee/Agency Representative Reports:

- a) **San Luis Delta Mendota Water Authority (Tobias/Tonascia)**
As per Mr. Cattaneo, this will be covered under the District Manager's report.
- b) **Administration Committee (Tobias/Flores)**
As per President Tobias, the committee discussed the Dahl extension.
- c) **Rural Water Systems Committee (Flores/Tonascia)**
As per Mr. Cattaneo, a meeting was held. While the homeowners were invited, none attended. A report was given to the committee about the new well. The expected cost was \$18,000-\$20,000 but the lowest bid was \$30,000. Staff is recommending waiting and the Department of Drinking Water is also fine with waiting. At this point, the District is not moving forward due to the bids all being above the budget.
- d) **Pacheco Reservoir Exploratory Ad Hoc Committee (Tobias/Flores)**
As per Mr. Cattaneo, staff had a meeting with SCVWD and LAFCO. LAFCO has a meeting scheduled for January 15, 2015, where they plan to discuss the dissolution of the Pacheco Pass Water District.
- e) **San Luis & Delta-Mendota Water Authority Public Advisory (Tonascia)**
As per Vice President Tonascia gave a brief report and stated more funds are needed and it is evolving into an Ad Hoc Committee.

11. District Manager/Engineer's Report:

- a) **JPIA Award for a Loss Ratio of less than 20% in Liability, Property and Workers Compensation Programs**
Mr. Cattaneo reported the awards the District received from the JPIA for the loss ratios.

- b) **Reach 1 Operations**
Mr. Cattaneo reported there was not a meeting in November and the next scheduled meeting is in February.
- c) **Zone 3 Operations**
Mr. Cattaneo reported the San Benito River is not running as there wasn't any run-off from the recent storms. Michael Craig will be taking measurements and will report back soon. Also, Paicines Reservoir is still empty.
- d) **Zone 6 Operations**
Mr. Cattaneo reported San Justo Reservoir's level is down because the District was making deliveries from there. The District has 4200 AF stored in San Luis Reservoir and staff began moving this water on Monday. Mr. Cattaneo reported he will have all of the stored water moved by March 1st. The Recycled Water Project is moving forward and recently had a meeting with the Department of Water Resources; they discussed grants and State Revolving Fund Loans. Also, Mr. Cattaneo reported he had met with several landowners regarding easements and hopes to have them in place by the middle of January.
- e) **San Luis Delta Mendota Authority Activities**
Mr. Cattaneo reported SLDMWA has voluntarily cut back pumping due to the salinity in the water. Also, they are being careful in regards to the Delta smelt. The Authority is also working on repaying the outstanding water allocation debt, from the federal contracts and the state contractors, which was about 200,000 AF. This year's allocation, estimated by the Authority, is most likely going to be a 0% allocation for Ag but members are hopeful it could be 20% by May. Mr. Cattaneo stated the District may be able to give a 18-20% allocation, from our stored water.

12. BOARD ORGANIZATION

a. Election of Officers

Nominations for both President and Vice President were offered as a slate this year.

Director Bettencourt made a motion to nominate Joe Tonascia for President and Sonny Flores for Vice President; Vice President Tonascia seconded the motion. There were no other nominations. With a unanimous vote, Joe Tonascia was elected President and Sonny Flores was elected Vice President.

13. Adjournment

With no further business, the meeting was adjourned at 7:12 p.m.

Minutes were approved at the January 28, 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