

December 20, 2017
Regular Meeting
6:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, December 20, 2017 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, Assistant Manager Sara Singleton, Supervising Accountant Natalie Sullivan, Water Conservation Program Manager Shawn Novack, Assistant Engineer David Macdonald, Maintenance I Leo Vasquez and Board Clerk/Office Specialist III Barbara Mauro; District Counsel David E. Pipal was absent.

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. **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 Vice President Tonascia and seconded by Director Flores, 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: November 29, 2017 Regular Meeting**
2. **Allowance of Claims**
3. **Acknowledgement of Paid Claims prior to the December Board Meeting**
Mr. Cattaneo asked that item #4, be removed from the Consent Agenda. Noting the removal of item #4, a motion was made by Vice President Tonascia and seconded by Director Flores, items 1-3 of the Consent Agenda were unanimously approved.
4. **Recognizing Leo Vasquez for 10 Years of Service, Certificate Issued**
Mr. Cattaneo recognized Mr. Vasquez for his 10 years of service by presenting him with his certificate. He further added he has never received any complaints regarding Leo, does anything that is asked of him and Mr. Cattaneo wished he had a District full of Leo's. Mr. Novack also spoke about Mr. Vasquez. He is always happy, ready to work, and there are grateful customers every day. Leo excels at customer service and has actually been with the District for 16 years; 6 of them were as a temporary employee.

With a motion by Director Flores and a second by Director Bettencourt, the Board of Directors unanimously recognized Leo Vasquez for 10 Years of Service.

REGULAR AGENDA:

5. FY 16-17 Comprehensive Annual Financial Report and Audit

Mrs. Singleton stated the Board received the draft CAFR in their packet. This report comes before the Board with the recommendation of the Finance Committee. There is a replacement page, per Mrs. Singleton, which is a required schedule of list of employers in San Benito County. Mrs. Singleton then introduced Sukhdev Singh and Jesus Montemayor from McGilloway, Ray, Brown & Kaufman.

a. Presentation by McGilloway, Ray, Brown & Kaufman

Mr. Montemayor gave a PowerPoint presentation. Mr. Montemayor explained why there was an auditor rotation and stated the District is a few years early in the auditor/partner rotation.

Mr. Montemayor stated the District received an unqualified opinion, which is the best that the District could receive. He reviewed accomplishments over the past year for the District, with the most significant one being the completion of the West Hills Water Treatment Plant. Mr. Montemayor also reviewed the CalPERS pension liability. He also stated the net position for the District has increased by \$7 million.

Mr. Montemayor stated there were no problems or disagreements during the audit process with District staff. Also, no consultations with other auditing firms were necessary. There were no material weaknesses and no prior year management letter.

b. Consider Acceptance and Authorize Distribution

With a motion by Vice President Tonascia and a second by Director Flores, the Board of Directors unanimously accepted the FY 16-17 Comprehensive Annual Financial Report and Audit and authorized distribution.

6. Mid Pacific Water Users Conference, January 17th through 19th, 2018 in Reno, Nevada

a. Consider District Manager or Designee and Director Attendance

Anyone interested should let Mrs. Mauro know so that she can make the necessary arrangements.

7. Committee/Agency Representative Reports:

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

As per Director Tonascia, Mr. Cattaneo will cover this under his report.

b) Finance Committee (Bettencourt/Tonascia)

As per Directors Bettencourt and Tonascia, this has already been covered.

8. District Manager/Engineer's Report:

a) Reach 1 Operations

Mr. Cattaneo reported the schedule to turn on the areas affected by the shutdown is January 19th, but it has been a challenge during the shutdown. Mr. Haertel and Mr. Macdonald have done an excellent job managing this project. Discussion ensued about the repurposed orifice plate which is a flow control device for the Hollister Conduit's 12" pipe.

While part of the District's system was shutdown, Mr. Cattaneo reported the District completed several needed repairs. When the bids were received for these repairs, they ranged from \$198,000 to \$300,000. The District staff did the work instead. Labor costs were approximately \$30,000 and the materials used were less than \$100,000.

b) Zone 3 Operations

Mr. Cattaneo reported that the DSOD (Department of Safety of Dams) are reviewing all high hazard dams, due to the issues at Oroville Dam last year. GEI performed an evaluation and found some minor issues with Hernandez Reservoir's spillway. Mr. Cattaneo stated the work will be completed next summer or fall and staff will then report back to the Board.

c) Zone 6 Operations

Mr. Cattaneo reported San Justo Reservoir is currently at 475' elevation, which leaves about 3000 AF left for storage. Mr. Cattaneo plans to have it full by the start of the water year on March 1st.

d) San Luis Delta Mendota Authority Activities

Mr. Cattaneo reported the agencies are moving forward with the Transmission Project. SLDMWA and the Bureau are considering a new transmission line and are looking for a partner to finance with, which may be Duke Energy. If financed at 100%, it would be a 30 year lease with a \$1 buyout at the end.

Regarding water supply, San Luis Reservoir is expected to fill sometime in January. Of this, the Federal share will be full but the State share will not. Mr. Cattaneo is anticipating a water allocation of 30% for AG and 70% of historic use for M & I. There will be 2500 AF from the exchange contractors, which will be M & I water. Mr. Cattaneo reported from the AG side, he anticipates delivering 11,000 to 12,000 AF and hopes to percolate about 2800 AF. Discussion ensued about the difference between the State and Federal share of storage in San Luis Reservoir.

Also discussed was the Temperance Flat Project. The cost to each participant is estimated at \$100,000 each.

e) Pacheco Reservoir Expansion Project—Prop 1 Application

Mr. Cattaneo reported he and Director Tonascia went to the water conference sponsored by the Water Commission. Director Tonascia spoke about San Benito County, to the commission. The decision on the grant was to be next June, but more likely to be July/August for a decision.

f) JPIA Award for a Loss Ratio of less than 20% in Liability, Property and Workers Compensation Programs

Mr. Cattaneo reported the District received a loss ratio of less than 20% liability, property and works compensation, through JPIA.

9. BOARD ORGANIZATION

a. Election of Officers

Mrs. Mauro stated the offices of President and Vice President can be nominated and voted on separately or they can be nominated and voted for as a slate.

Director Bettencourt nominated Joe Tonascia for President and Sonny Flores for Vice President; this motion was seconded by Director Tonascia. The Board unanimously voted Joe Tonascia for President and Sonny Flores for Vice President.

10. Adjournment

With no further business to discuss, the meeting was adjourned at 6:53.

The minutes were approved at the January 31, 2018 Board meeting and signed by the presiding board member.

/s/Joe Tonascia
Joe Tonascia, President

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