

November 20, 2024  
Regular Meeting  
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, November 20, 2024 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Andrew Shelton, Vice President Doug Williams and Directors Sonny Flores, Joe Tonascia and Mark Wright. Also present were General Manager Dana Jacobson, District Counsel Jeremy T. Liem, Operations and Maintenance Manager Michael Craig, Water Resources Technician II Dustin Franco, Office Specialist I Shannon Darnall, Jeff Cattaneo and Executive Assistant/Board Clerk Barbara Mauro.

**CALL TO ORDER**

President Shelton called the meeting to order at 5:00 p.m.

- a. Pledge of Allegiance to the Flag**  
President Shelton led the Pledge of Allegiance.
- b. Roll Call**  
Mrs. Mauro called roll; members present were: President Shelton, Vice President Williams and Directors Flores, Tonascia and Wright.
- c. 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 8:00 p.m.**
- d. Approval of Agenda**  
With a motion by Vice President Williams and a second by Director Tonascia, the Agenda was approved with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.
- e. Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda**  
John Freeman, who ran unopposed for the new District Division #2 Board seat, introduced himself and stated he looks forward to working with his fellow board members.

**CONSENT AGENDA:**

- 1. **Approval of Minutes for: October 30, 2024 Regular Meeting**
- 2. **Allowance of Claims**
- 3. **Acknowledgement of Paid Claims prior to the November Board Meeting**
- 4. **On Call Contracts – Status Updates**

With no questions from the Board, a motion was made by Director Tonascia and seconded by Director Flores; the Consent Agenda was approved by 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

## **REGULAR AGENDA**

### **5. Consider Resolution Amending the Standard Model Conflict of Interest Code for the San Benito County Water District**

Mrs. Mauro reviewed this item for the Board. She stated due to the change in the organizational chart at the Special Meeting on October 17, 2024, where the Board removed the position of Manager of Administration, Finance and Business Services and added the Assistant General Manager position, there is a need to amend the District's Conflict of Interest Code.

With a motion by Vice President Williams and a second by Director Flores, the Board of Directors approved Resolution #2024-45, *A Resolution of the Board of Directors of the San Benito County Water District Amending the Standard Model Conflict of Interest Code for the San Benito County Water District* by 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

### **6. Consider setting the September, November and December Board Meeting dates for 2025**

Mrs. Mauro reviewed this item for the Board. Staff is recommending moving the November and December Board Meeting dates in 2025, due to the holidays. She further added there was not a conflict in September between the board meeting and the San Benito County Fair.

With a motion by Director Tonascia and a second by Vice President Williams, the Board of Directors approved setting the November 2025 meeting to November 19, 2025 and the December 2025 meeting to December 17, 2025 by 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

### **7. Consider Approving the Draft Terms of Agreement Relative to an Anticipated Amendment to the Water Supply and Treatment Agreement**

Mr. Jacobson stated there is some urgency for this item, as it will be the foundation for the Amendment to the Water Supply and Treatment Agreement. He further added Jeff Cattaneo will review this item for the Board.

Mr. Cattaneo stated this project with San Juan Bautista, goes back to approximately 2000, trying to help solve their water issue. The Draft Terms of Agreement addresses the pipeline from the West Hills WTP to San Juan Bautista and the addition of the ADRoP Project. Amending the Water Supply and Treatment Agreement will be adding San Juan Bautista as well as the ADRoP Project. Currently the City of Hollister (COH), Sunnyslope County Water District (SSCWD) and the City of San Juan Bautista (COSJB) are also reviewing this document.

Mr. Cattaneo reviewed how San Juan Bautista will be added, based on the percentage of capacity they buy into. He further discussed the repayment schedule, which will match that of the COH and SSCWD. Mr. Cattaneo also discussed the Capital Replacement Fee and how that will be handled with the addition of San Juan Bautista.

Regarding the operation of the two water treatment plants, there are fixed costs, which will be divided up by capacity and variable costs which are aggregated based on the

amount of finished water delivered. The District will also make a non-reimbursable contribution to San Juan, based on the capacity they agree on.

Director Tonascia asked if there are meetings scheduled with the other agencies and will the numbers be included. Mr. Cattaneo stated yes, there are meetings scheduled and he will update the numbers with all of the current information.

Mr. Cattaneo then reviewed the ADRoP Project on financing and the change in operations. All M&I users will pay the principal portion and the District will pay the interest portion. In January 2023, the Board adopted rates which included the reliability fee, which is a per acre foot fee. This fee will remain in place until the debt has been retired, but it does not have a fixed date. He further reviewed how the ADRoP Project operations will work in wet and dry years and stated because the District will be utilizing the COH facilities, there will be a separate agreement with them to acknowledge these costs. Because of the grant funding, the project did pivot but there will be a treatment plant on site later. Mr. Cattaneo added the expansion of West Hills had to be done first for timing purposes.

For the Water Supply and Treatment Agreement Amendment, Mr. Cattaneo has contacted Dan O'Hanlon at Kronick, Moscovitz, Tiedemann and Girard to work on this amendment. Director Wright asked when the District is reimbursed for the water that is injected. Mr. Cattaneo stated the user is charged only when water is delivered.

Richard Bettencourt, a member of the audience, asked who determines when it's a drought year. Mr. Cattaneo stated the state and federal governments, but also if we receive less than 50% of our M & I Contract it is considered a drought year.

8. **Committee/Agency Representative Reports:**

a. **San Luis and Delta-Mendota Water Authority (Tonascia/Jacobson)**

As per Director Tonascia, there was a lot of discussion following the recent election. He will let Mr. Jacobson give more details in his report.

b. **Finance Committee (Shelton/Tonascia)**

As per Directors Shelton and Tonascia, they discussed the 1<sup>st</sup> Quarter Report and the need for a new enterprise software which Mr. Miller will look into.

c. **Governance Committee(Flores\*/Tonascia)**

As per Directors Flores and Tonascia, the Term Sheet was discussed.

9. **Monthly Operations and Maintenance Report**

Mr. Craig showed several photos of the new valve installed at Hernandez, which has all new stainless-steel parts. He discussed how the project went and that everything was tested. He further stated he was very proud of the maintenance staff; it was a great accomplishment.

10. **General Manager's Report:**

a) **Reach 1 Operations**

Mr. Jacobson reported there was a quarterly meeting on November 12, 2024. At the Pacheco Pumping Plant, they plan to change out 1 pump. Our district asked why not

try to do two. Mr. Jacobson further reported our staff asked for a financial analysis of this repair work.

**b) Zone 3 Operations**

Mr. Jacobson reported Mr. Craig covered Hernandez Reservoir. Additionally, District staff also performed repair work on the Paicines Canal, which he noted also has a silt build-up which will need to be addressed.

**c) Zone 6 Operations**

Mr. Jacobson reported there are two capital improvement projects that will be done during the winter which will be replacing 2 16" cla valves in Sub 4 and Sub 7.

**d) Accelerated Drought Response Project (ADRoP)**

Mr. Jacobson reported on November 14, 2024, the District opened bids for the West Hills WTP Expansion. Three bids were received and Overaa is the apparent low bidder. The District is anticipating a special meeting on December 9<sup>th</sup> to approve the contract for this work. Mr. Jacobson further reported he has signed a contract for well site appraisal, which is needed for the project.

**e) San Luis and Delta-Mendota Water Authority Activities**

Mr. Jacobson reported the Authority has an amendment to the JPA, which was put in place in 1992. This amendment cleans up some issues with Friant and he feels it is a fair deal. Seventeen members have already approved it. This will be on the December agenda. Also, he further reported that sometime this winter, there will be an activity agreement adding a fee for water purchases, related to the protection of the ECO System. Scott Petersen, from the Authority, will likely make a presentation to the Board perhaps in February 2025.

**f) City of San Juan Bautista Water Supply Plan**

Mr. Jacobson reported this has already been covered.

**g) B F Sisk Dam Raise Project**

Mr. Jacobson reported on November 13<sup>th</sup>, there was a presentation in Washington D.C. where the initial agreement was signed. There is another negotiation meeting scheduled this Friday and an interim decision will need to be made regarding cost. The initial cost is \$4 million, which our share would be \$220,000. A decision will likely be needed from the Board in February 2025.

**h) Miscellaneous District items**

Mr. Jacobson reported, while the District will acknowledge his service at our December board meeting, he thanked Andrew Shelton for his service to the District, as this is his last board meeting.

**11. Adjournment**

With no further business to discuss, the meeting was adjourned at 5:55 p.m.

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Minutes were approved at the December 18, 2024 Board meeting and signed by the presiding board member.

/s/Doug Williams  
Doug Williams, Vice President

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