

January 24, 2007
Special Meeting
5:31 p.m.

The Board of Directors of the San Benito County Water District convened in special session on Wednesday, January 24, 2007 at 5:31 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Bob Swanson, Vice President Frank Bettencourt, and Directors Ken Perry, John Tobias and Sonny Flores. . Also present were District Manager/Engineer John S. Gregg, District Counsel David E. Pipal, Administration and Finance Manager Shelley Giancola, and Office Specialist II Barbara L. Mauro. Special Counsel Janet Goldsmith attended meeting via telephone.

CALL TO ORDER

President Swanson called the meeting to order at 5:31 p.m.

PLEDGE OF ALLEGIANCE TO THE FLAG

President Swanson led the Pledge of Allegiance to the Flag.

AGENDA ITEMS:

1. **Amend Resolution 2006-18, Setting a Public Hearing Date for the Purpose of Implementing A Standby Or Availability Charge In The Area Served by the Zone 6 Pressurized Distribution System (San Felipe Distribution System) For The 2007-2008 Water Year.** President Swanson asked Mr. Pipal to explain this item to the Board. Mr. Pipal stated this resolution was passed at the December 20, 2006 meeting and was not published. Because of this, the Board needs to amend this resolution, with the new hearing date to be February 20, 2007 and have this item published with sufficient time. *Upon a motion made by Director Tobias and seconded by Director Perry, the Board of Directors of the San Benito County Water District unanimously approved amending Resolution 2006-18, which now becomes Resolution 2007-01, Setting a Public Hearing Date for the Purpose of Implementing A Standby Or Availability Charge In The Area Served by the Zone 6 Pressurized Distribution System (San Felipe Distribution System) For The 2007-2008 Water Year.*

2. **Second Amendment of Contract 8-07-20-W0130A between the United States and the San Benito County Water District for Water Service and Operation and Maintenance of Certain Works of the San Felipe Division –Central Valley Project.**
 - a. **Review Second Amendment** Prior to beginning this item, Ms. Goldsmith was phoned and made herself available for questions or comments regarding this item. Mr. Gregg gave the Board an overview of the three agreements previously brought to the Board. Mr. Gregg reminded the Board that one of the agreements, the Bi-Lateral Agreement with Santa

Clara Valley Water District has already been approved by our Board and Santa Clara's. The reason for the Second Amendatory Contract is important, in case the Renewal Contract is challenged and ruled invalid for any reason and without this contract, it would leave the District with an Interim Contract perhaps on an annual basis. President Swanson asked if Ms. Goldsmith had additional comments and Ms. Goldsmith agreed with Mr. Gregg of the importance of having the Amendatory should there be a problem with the Renewal Contract. Vice President Bettencourt asked Ms. Goldsmith about a time frame and she stated there isn't an urgency but she recommends the District get the contract in place before the fiscal year. Ms. Goldsmith stated it would be in the best interest of the District to approve this contract because without it, the Bilateral Agreement cannot begin and that agreement has been approved by both parties. President Swanson asked Mr. Gregg is this item is on the agenda for January 31, 2007 and Mr. Gregg stated it is.

- b. **Review Approval Process and Requirements** Mr. Gregg stated this item will be stated by Mr. Pipal. Mr. Pipal reported that this item will be on the Board Agenda as a Resolution that will provide for Board approval and findings that this item does not constitute a project as per CEQA. It also directs staff to file a notice of exemption, which provides a statute of limitations. Additionally, Mr. Pipal recommends validating this contract and feels it is an important action. The validation involves filing a complaint in the court to validate the contract and if there is no response, counsel will then seek a judgment that states the contract is binding and valid. Ms. Goldsmith also recommended the validation of the contract to protect future vulnerability of the resolution and the contract. Mr. Gregg added that signature of the renewal agreement has been delayed to environmental issues from the Department of Fish and Wildlife, and stated the District may have this contract for a long time, which would make this contract (2nd Amendatory) the District's contract until the renewal contract is signed. President Swanson asked if there were any further questions from the Board regarding this item and there were not. President Swanson thanked Ms. Goldsmith for her time.

3. Adjournment

There being no further business, the meeting was adjourned at 5:42 p.m.

Minutes were approved at the January 31, 2007, Regular Board meeting and signed by the presiding board member.

/s/Robert M. Swanson
Robert M. Swanson, President

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