

**Special Meeting
February 15, 2006
5:15 p.m.**

The Board of Directors of the San Benito County Water District convened in special session at 7:30 p.m. at 30 Mansfield Road, Hollister, CA. Board Members present were President John Tobias, Vice-President Bob Swanson, Directors Sonny Flores and Frank Bettencourt. Directors Ken Perry was absent. Also present District Manager/Engineer John S. Gregg, Deputy District Engineer Jeff Cattaneo, District Counsel David E. Pipal and Administrative Services Officer Maria E. Alfaro.

CALL TO ORDER

The meeting was called to order by President Tobias at 5:15 p.m.

a. Pledge of Allegiance to the Flag.

President Tobias led the Pledge of Allegiance to the Flag.

AGENDA ITEMS

1. Report on San Justo Reservoir

District Manager/Engineer John S. Gregg noted that he wanted to make the Board aware of a limitation that the Bureau of Reclamation has placed on the operations of San Justo Reservoir. This item will be on the regular agenda next week with more information. Operation limits have several impacts. The Bureau has set limitation due to concerns of seepage to natural formations that forms the rim of the reservoir from the main dam over to the dike. There are concerns about further instability. Mr. Gregg noted that normally the reservoir would be filled at 500 feet above sea level. There is a operating trigger point at elevation 485 and the Bureau has set the operating limit to not go above 485. The District has requested review to look for flexibility based on what is happening on the ground. We discussed with them their allocating storage to us equivalent to what we don't have in San Justo would be allocated to the District in San Luis Reservoir. Mr. Gregg noted that this was primarily a water supply issue. The limitations may impact our ability to meet peak demands during the preferred irrigation times during the day. We may have to limit delivery, at least in part, at this point we are not sure. We have requested to increase our peak delivery capacity with Santa Clara Valley Water District. To increase the maximum flow through reach one and into the Hollister Conduit from its current normal of 93 cfs to 110. There are certain limitations to how much water we can get into San Justo to refill. The primary impact will be our ability to keep demands during peak irrigation periods. With San Justo that low during emergencies portions of the distribution system, those typically higher, we would not be able to maintain the normal pressure. We will have some operating challenges with closure and restart of the main valve at bifurcation. We will have to work closely with our customers to get demands down. The Bureau took the step to imposing an operating limit. They are looking for means to coordinate and fund a few of the operating limits to see if those can be relaxed, if certain conditions exist regarding water levels. We are sending them a letter with respect to allocation of water. Mr. Gregg noted that this goes back to decisions not to line the entire reservoir. Technical work will be underway to look at possible solutions. Those run from low capital high operating costs on one end and to extreme high capital low operating costs.

Director Bettencourt asked what the capacity of San Justo Reservoir at full was. Mr. Gregg noted that it was full at 10,300 acre feet, at 485 ft. it is roughly 7,440 acre feet. Mr. Gregg noted that the District may be able to prevail on the water allocation space, there may be some opposition.

President Tobias asked if this would affect our CVP contract that is being negotiated. Mr. Gregg noted that the District's due diligence in terms of our willingness for repayment when there are problems with the reservoir and problems with capacity. The District will have to re-think going forward on the repayment contract and re-think any commitment to pay for San Justo. This matter can be brought back through the Board committee. Mr. Gregg noted that Jan Goldsmith will be here next Wednesday, to give a full report to the board. Mr. Gregg noted that there may be some opportunities to get some variation. Director Bettencourt asked if we had pump records from different levels. Mr. Gregg noted that due to the concerns of stability, the District began maintaining weekly monitoring.

2. CVP 2006/2007 Water Supply

Mr. Gregg noted that the Bureau would normally make an announcement today. No official announcements have been made as of this afternoon. Informally, the word is that the supply will be 65% of our contract amount for agriculture, which is 100% supply. The long range weather forecast notes a significant below normal precipitation in California for March, April and May and a high probability of above normal temperatures.

3. Policy for Inter-subsystem Water Transfers for the 2006-2007 Contract Water Year

Mr. Gregg noted that this matter had been referred to Expansion Committee. The Expansion Committee has oversight these matters. The Expansion Committee has reviewed the policy and changes were made to wording as to classes of water.

President Swanson asked Mr. Gregg to review the changes in the wording. Mr. Gregg reviewed the proposed language changes. Mr. Gregg noted that water contracts this Friday or Saturday which will be returned by early March.

Upon a motion duly made by Director Flores and seconded by Director Bettencourt, *RESOLUTION NO. 2006-04, RESOLUTION OF THE SAN BENITO COUNTY WATER DISTRICT ESTABLISHING A POLICY FOR INTER-SUBSYSTEM WATER TRANSFERS FOR THE 2006-2007 CONTRACT WATER YEAR*, was unanimously approved.

There being no further business, the meeting adjourned at 5:45 p.m.

John Tobias
President

Maria E. Alfaro
Administrative Services Officer