

**Regular Meeting
February 22, 2006
7:30 p.m.**

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

CALL TO ORDER

The meeting was called to order by President Tobias at 7:30 p.m.

a. Pledge of Allegiance to the Flag.

President Tobias led the Pledge of Allegiance to the Flag.

b. Approval of Agenda

Upon a motion duly made by Director Flores and seconded by Director Bettencourt, the Agenda for the meeting was unanimously approved.

c. Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda.

Dan Reed, Mayor of the City of San Juan Bautista introduced the City's new City Manager Jan McClintock. Ms. McClintock introduced herself to the Board. Director Swanson welcomed Ms. McClintock to San Benito County.

CONSENT AGENDA:

- 1. Approval of Minutes for: January 25, 2006**
- 2. Allowance of Claims**

Director Swanson asked about the difference between the Urban Water Management Plan and if that was State requirement. Mr. Gregg responded to Mr. Swanson's question. Mr. Gregg also described the Hollister Urban Area Water and Wastewater Master Plan. Discussion was also had regarding the claims of Kennedy Jenks, Harry Blohm, HDR, Robin Scattini and Ershings. Mr. Gregg noted that a coding error was made and would be corrected.

Upon a motion duly made by Director Swanson with the change to the coding of Harry Blohm and seconded by Director Flores, the Minutes for January 25, 2006 and the Claims were unanimously approved.

REGULAR AGENDA:

- 3. Pajaro River Watershed Integrated Regional Water Management Plan**

- a) **Review Grant Agreement Between the State of California Department of Water Resources and San Benito County Water District (\$872,220; Grant \$500,000; Grantee Share \$372,220)**
- b) **Authorize District Manager to Execute Memorandum of Understanding Between Pajaro Valley Water Management Agency, Santa Clara Valley Water District and San Benito County Water District**

District Manager John S. Gregg asked the members of the Grants Committee if they wanted to speak about this item. Director Swanson asked if the District was the lead agency for this project. Mr. Gregg noted that it was. Mr. Swanson asked who would hire the engineer. Mr. Gregg noted that the three agencies will be managing and have a responsibility to contract for those services.

A motion was made by Director Swanson authorizing District Manager to execute MOU between the Pajaro Valley Water Management Agency, Santa Clara Valley Water District and San Benito County Water District for the Pajaro River Watershed Integrated Regional Water Management Plan and seconded by Director Bettencourt and unanimously approved.

4. Report on San Justo Reservoir Operating Limits

District Manager/Engineer John S. Gregg reported that the Bureau had provided information regarding operating limits. With respect to how this relates to San Justo Reservoir's water supply and service, Mr. Gregg noted that San Justo Reservoir provides carryover storage, subject to availability. Most critical to this is emergency storage. Mr. Gregg discussed the problems associated with a shut down period and recovery, the challenges during peak usage, and how some customers may experience low pressure. Mr. Gregg noted that monthly reports would be made on this matter. Mr. Gregg also noted that he had had a meeting with the Bureau regarding this matter and they agreed to initiate a review. The Bureau is also evaluating San Justo seepage and has engaged a firm to review the work. The Bureau officials committed to looking for funding for the seepage and stability problems.

5. Status Report on USBR/Santa Clara Valley Water District Negotiations

District Manager/Engineer John S. Gregg noted that the negotiating group has worked through obstacles. Mr. Gregg noted that Jan Goldsmith was here tonight to report on this item. Ms. Goldsmith reviewed some history of the project noting that negotiations began in 1998, there has been agreement on the principle and to remove the capital component from the water charge and to achieve repayment by 2036. Ms. Goldsmith noted that an amendment to the contract with a clause if the contract is invalidated, it will go back to the previous contract. Ms. Goldsmith noted that they were moving forward on items of major improvements. Ms. Goldsmith discussed the options of not renewing the contract or to renew water service contract only. Ms. Goldsmith discussed other alternatives. Discussion was had by the board about the entire cost of repayment. Ms. Goldsmith noted she was not sure how the Bureau will administer half of the pipeline being repayment. Mr. Gregg noted that we have been working with a repayment contract. Mr. Gregg also noted that the San Justo issue was serious. President Tobias asked if there was a consensus of the board.

6. Report on Hollister Domestic Wastewater Improvements Project

District Manager/Engineer John S. Gregg reported that there were some milestones to report. The City's hiring of a project manager. Mr. Gregg noted that this is being done cooperatively with the County of San Benito and the District. The firm should be on board by the middle of next month. Mr. Gregg reported regarding constructability review and noted that for a plant of this size it would take between 20 and 24 months. Mr. Gregg noted that there are details which have not been examined and that the City has reported that a design consultant will be on board by mid-March. Mr. Gregg noted that the City would need to increase their rates, this has been discussed with the press. The Notice of Preparation was issued on February 1, 2006, the City had scoping meetings on the 16th of February. Mr. Swanson asked if it was reasonable to build a facility in 24 months. Mr. Gregg noted that it was. Mr. Gregg noted that there are a significant number of issues that have not been reviewed with rigor.

7. Agency/Committee Representative Reports:

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

President Tobias noted that there was nothing to report on this matter.

b) Water Resources Association (Flores/Bettencourt)

Director Flores noted that a meeting was conducted on February 15th.

c) Hollister Urban Area Water and Wastewater Master Plan- Governance Committee (Tobias/Perry)

President Tobias noted that this item had been covered under a previous item. President Tobias did report that a Finance Sub-Committee had been appointed and were charges with looking at financial issues. President Tobias also noted that the Sunnyslope County Water District had presented their Long Term Wastewater Management Plan. District Manager John S. Gregg noted that the Sunnyslope County Water District provides treatment to the Ridgemark and Quailhollow areas. Mr. Gregg noted that they have very old technology and treatment facility and does not meet the TDS and salt levels of disposal. Solutions before the Sunnyslope County Water District are expensive and a very short time frame for them to do what they need to do. Mr. Gregg noted that it will be impossible for to meet their timelines. Director Swanson asked how they were able to add on without having capacity and how they were able to get this far and why the Regional Board did not see this coming. He noted that LAFCO had so supply the permit, who provided the information was his question.

c) Expansion Committee (Swanson/Tobias)

President Tobias noted that matters before the Expansion Committee are ongoing.

e) Grants Committee (Swanson/Bettencourt)

Director Bettencourt noted that a Special Meeting would be scheduled for March 8th to receive a presentation on the North Area study.

8. District Manager/Engineer's Report:

a) Hernandez Road Repair

District Manager John S. Gregg noted that the road and culvert had suffered storm damage last year. The District advertised for bids and were due on March 3rd. A pre-bid site visit is scheduled for February 24, 2006.

b) 2006-2007 CVP Water Supply

Jan Goldsmith noted that there were 2 issues that have come up that matter to the District. Ms. Goldsmith noted that the Regional Water Quality Control Board issued a Decision No. 1641. Ms. Goldsmith noted that the Court of Appeal had recently issued a decision on this matter by approving the salinity standards and modified pulse flow. Ms. Goldsmith noted that the Bureau cannot meet the standards. The matter was sent to the State Board who issued a cease and desist order. Ms. Goldsmith noted that the parties will seek review of the decision.

Mr. Gregg noted that the Bureau communicated that the District has been allocated enough water to deliver 100% of the contract requests.

c) Sunnyslope County Water District Long-Term Wastewater Management Plan

Mr. Gregg noted that this matter was discussed on an earlier item. Mr. Gregg noted they could contact Maria for a copy of the plan.

d) Low Interest Loan-Irrigation Equipment

Mr. Gregg noted that the District had completed an application. The District is preparing for the next phase of the program. Mr. Gregg noted this program could be characterized as a line of credit. Staff is working on details of local agreements.

e) Annual Groundwater Report

Mr. Gregg noted that the Groundwater Committee met on February 13th. The Committee discussed the report as an audit and discussed the issue of scope and focus. The Committee agreed it was time to review consultant and review scope. A draft RFP would be prepared for review by the Committee.

9. Adjournment

There being no further business, the meeting was adjourned at 9:00 p.m.

/s/John Tobias

John Tobias
President

/s/Maria E. Alfaro

Maria E. Alfaro
Administrative Services Officer