

**April 25, 2007**  
**Regular Meeting**  
**7:30 p.m.**

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, April 25, 2007 at 7:30 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Robert Swanson, Vice President Frank Bettencourt, 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, Irrigation Engineer Mica Nitschke and Office Specialist II Barbara L. Mauro.

**CALL TO ORDER**

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

**a. Pledge of Allegiance to the Flag**

President Swanson led the Pledge of Allegiance to the Flag.

**b. Approval of Agenda**

Upon a motion made by Director Perry and seconded by Director Tobias, the Agenda was unanimously approved.

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

Linda Negley, a member of the audience, asked to speak regarding a ditch that runs through her property. President Swanson directed this item to Mr. Gregg who stated there are several leaks and the District intends to make repairs this summer. The repairs will include reshaping the ditch and inserting a membrane. The area in question is Gibson Crossing, as per President Swanson.

**CONSENT AGENDA:**

**1. Approval of Minutes for: March 28, 2007 – Regular Meeting  
April 10, 2007 – Special Meeting**

**2. Allowance of Claims**

**3. Acceptance of Quarterly Investment Report for Period Ending March 31, 2007**

**4. Consideration of Resolution Proclaiming May as Water Awareness Month**

*Resolution #2007-09, A Resolution of the San Benito County Water District Board of Directors Proclaiming the Month of May as “Water Awareness Month” was unanimously approved.*

Director Bettencourt had questions on the claims regarding payments to San Benito Engineering and URS. Mr. Gregg stated the payment to San Benito Engineering was for routine monitoring surveys and the payment to URS was related to the inspection of San Justo Reservoir by the Bureau which stipulated the use of qualified personnel to perform the work requested by the Bureau.

With no further questions, a motion was made by Director Perry and seconded by Director Flores; the Consent Agenda was unanimously approved.

**REGULAR AGENDA:**

**5. Guerra Nut Shelling Company Request for Temporary Water Service Outside of Zone 6**

President Swanson introduced Mr. Al Guerra of Guerra Nut Shelling. Mr. Guerra reviewed the information in the packet presented to the Board prior to the meeting. This item has been before the Expansion Committee, as a request for supplemental ag water, for use on olives and grapes. Mr. Guerra stated they are using a drip system with well water, but would prefer a better quality of water. Mr. Guerra also stated they own additional land adjacent to this property and do not utilize their full allocation; Mr. Guerra wondered if it is transferable. Mr. Guerra asked the District to contact the proper agencies to secure help for them.

President Swanson stated there will be a meeting next month with representatives from the Bureau and this matter can be discussed at that time. Director Tobias also stated the importance of establishing a District policy once we have met with the Bureau. Mr. Gregg stated the set of issues to be discussed with the Bureau will be CVP Place of Use requirements and Fish and Wildlife's list of requirements. President Swanson stated if the meeting occurs with the Bureau in May, an Expansion Committee can be held in June. Mr. Gregg stated the importance of prioritizing of water. Mr. Gregg stated a change in Zone 6 is a Board decision, but a change in the service area must go through the Bureau. President Swanson asked Mr. Gregg if the District needs approval from the Bureau to move water out of Zone 6 and Mr. Gregg stated absolutely. Mr. Gregg wondered if the discussion with the Bureau could be shaped for a temporary fix and/or a long term solution. Mr. Guerra supports the bigger process but was looking for a temporary fix from the Board tonight. President Swanson made two points: 1. Water Allocation is tied to the land not the owner and 2. It makes more sense to sell excess water here rather than outside the county. Directors Flores, Bettencourt and Tobias agreed with President Swanson but to use caution going forward and establish a District policy. Vice President Swanson asked about the timeframe and Mr. Gregg stated it is premature without meeting with the Bureau. Mr. Guerra stated the moving of water would be benefit for the community. President Swanson stated the issue is the selling of excess water within our distribution area. District Counsel suggested putting this item on the June agenda to keep this item moving. Mr. Gregg stated moving forward regarding flexibility of surface and ground water would be important to the District.

**6. Acknowledge receipt of Landowner Petition regarding Santa Ana Valley Water Supply**

Mr. Gregg stated the District received the petitions from the landowners yesterday. Mr. Gregg stated the Board needed to acknowledge receipt of the letter and petitions and refer the matter to the Expansion Committee, staff and legal counsel; reporting back to the Board at the May meeting. Mr. Eade, representing the landowners, asked if there are any questions from the Board. Director Flores asked if this property is inside of Zone 6 and Mr. Gregg stated it is inside the CVP area but outside of Zone 6. President Swanson asked Mr. Pipal for a legal view and Mr. Pipal stated it has been the District practice to refer an item such as this to committee for review and the committee

to make a recommendation to the Board and hold a hearing. Regarding the mapping, Mr. Gregg stated the work is nearly done and expects the work to be complete in approximately two weeks. Mr. Gregg stated the meeting with the Bureau is tentatively scheduled for May 30<sup>th</sup>, so an Expansion Committee following that would be appropriate. Mr. Pipal stated the Board need only acknowledge receipt of the letter and petitions. Mr. Eade stated the homeowners are looking for an answer to what they will get for the money they will be putting up, as stated in the letter. Director Tobias suggested meeting in May rather than waiting for a June meeting. Mr. Gregg stated the information gathered at the meeting with the Bureau would also be helpful in this matter. Mr. Gregg also stated the discussions with the Bureau should include structure for short term and long term issues for the District. Mr. Eade asked if the Board could put together a scope of work, answering the three questions in the letter that would be sufficient for the landowners. Director Tobias is concerned about the District committing to a specific price tag for the project with a dollar amount of \$30,000 as a maximum, so what should the District do if the project's estimate is higher? Mr. Eade stated he would have to discuss that with the homeowners. Director Tobias suggested the District answer the homeowner's questions and give them a ballpark figure and to take back to the petitioners for their response. Mr. Gregg stated this would require reshaping the scope of work and identifying the groundwater basin and potential water demands. Mr. Eade is comfortable waiting for a meeting in June following the District's meeting with the Bureau.

**7. Consider Approval of Agreement Between the Council of San Benito County Governments and San Benito County Water District Relating to the Construction of the Highway 25 Bypass Project and Authorize President to Execute that Agreement**

Mr. Pipal explained the COG Agreement to the Board. The District pipeline is in the way of the bypass. Mr. Pipal stated COG will be relocating our pipeline. The District will inspect the pipeline to ensure it meets our requirements and qualifications. Mr. Pipal recommends approval and made one change paragraph #18, adding the word "is" executed. Mr. Gregg stated this agreement has been worked on both with COG and our District Counsel and he is satisfied. Director Tobias asked for the timeline and will the District have a say when the shut-down is scheduled. Mr. Gregg stated we have no guarantee. Mr. Pipal stated the District can make a request to schedule the shut-down and Director Tobias would like it to be after November 1<sup>st</sup>. Mr. Gregg reported COG has stated the new pipeline will be built prior to taking the old one out of service and they anticipate the outage to be approximately 48 hours; it is a sub lateral off of a main lateral. Upon a motion made by Director Flores and seconded by Vice President Bettencourt, the Board of Directors of the San Benito County Water District unanimously approved the Agreement between the Council of San Benito County Governments relating to the Construction of the Highway 25 Bypass Project and Authorized the President to Execute that Agreement.

**8. Consider Approval of Hydrogeologic Assessment of the San Juan, Hollister West and Tres Pinos Groundwater Subbasins. Scope, Schedule and Budget, and Authorize District Manager to Execute Task Order for Professional Services under the Master Agreement between the District and Bookman-Edmonston/GEI (\$197,000.00)**

President Swanson stated the Mr. Bateni was in attendance at a previous Board Meeting and this item was referred back to committee. Director Perry stated the District asked for

further information in these studies (Both items #8 and #9) and Bookman-Edmondson/GEI has agreed to include that information. Upon a motion made by Director Tobias and seconded by Director Perry, the San Benito County Water District Board of Directors unanimously approved the Hydrogeologic Assessment of the San Juan, Hollister West and Tres Pinos Groundwater Subbasins, Scope, Schedule and Budget, and Authorized District Manager to Execute the Task Order for Professional Services under the Master Agreement with Bookman-Edmondson/GEI.

**9. Consider Approval of Hydrogeologic Assessment of the Southern Portions of the Hollister Groundwater Basin. Scope, Schedule and Budget, and Authorize the District Manager to Execute Task Order for Professional Services under the Master Agreement between the District and Bookman-Edmonston/GEI (\$127,000.00)**

Upon a motion made by Director Perry and seconded by Director Tobias, the Board of Directors of the San Benito County Water District unanimously approved the Hydrogeologic Assessment of the Southern Portions of the Hollister Groundwater Basin. Scope, Schedule and Budget, and Authorized the District Manager to Execute Task Order for Professional Services under the Master Agreement with Bookman-Edmonston/GEI.

**10. Pajaro Watershed Integrated Regional Water Management Plan Consulting Services**

Mr. Gregg introduced this item as a partnership between the District, Santa Clara Valley Water District and Pajaro Water District. RMC was selected as the consultant and Lidia Gutierrez had a leadership role in this program. Ms. Gutierrez has left RMC and this contract change reflects that change. This matter has been discussed on two occasions with the Grants Committee and there is a memo from the Grants Committee recommending the changes and the additional contract. Director Perry stated there are no changes. Ms. Gutierrez left RMC in January and will continue as Project Manager for this project.

**a. Consider Approval of Amendment of RMC Water and Environmental Professional Service Agreement Scope and Budget and Authorize District Manager to Execute that Amendment (SEE BELOW)**

**b. Consider Approval of Professional Services Agreement with Gutierrez Consultants and Authorize District Manager to Execute that Agreement**

Upon a motion made by Director Tobias and seconded by Director Flores, the Board of Directors of the San Benito County Water District unanimously Approved both the Amendment of RMC Water and Environmental Professional Service Agreement Scope and Budget and Authorized District Manager to Execute that Amendment and the Professional Services Agreement with Gutierrez Consultants and Authorized District Manager to Execute that Agreement.

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

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

As per Directors Perry and Tobias, there is nothing to report.

- b. Pajaro River Watershed Flood Prevention Authority (Perry/Bettencourt)**  
As per Director Flores, there is nothing to report.
- c. Grants Committee (Bettencourt/Perry)**  
As per Director Perry, there is nothing further to report.
- d. Investment Committee (Flores/Tobias)**  
As per Director Tobias stated things are going well and they will continue to look at the long term effects of the contract with Santa Clara will be for the District.
- e. Wastewater Treatment and Reuse Committee (Tobias/Perry)**  
Director Tobias stated the committee met with the City of Hollister regarding removing the item of reclaimed water going to the San Juan Valley. In the SEIR, they have agreed to remove this item. Director Tobias stated this is for long term reclaimed title 22 water not sprayfields as asked by Vice President Bettencourt. Director Tobias stated based on the new rule in agriculture regarding e-coli and co-mingled water, it is important for the reclaimed water to go where it will do the most good. Director Tobias stated this change will not slow down the City of Hollister. Director Flores asked Mr. Gregg about the grant for recycled water through the WRA and will the District continue with this on our own? Mr. Gregg stated the discussion with the City of Hollister was that the District would take the lead of the development of a recycled water plan. Mr. Gregg remind the Board that they unanimously approved that the District would make every effort to be cooperative but, be prepared to take any legal action that is necessary. President Swanson suggested putting this into Resolution form to show the Board's support of this issue. Mr. Gregg stated the committee is looking to have a workshop to discuss the recycled water issue and felt this would be the appropriate place for this discussion.
- f. Personnel Committee (Swanson/Perry)**  
As per Ms. Giancola, the District has made an offer to Dave Meraz for the Operations and Maintenance Manager and his pre-employment screening is looking very good. Ms. Giancola gave a brief description of Mr. Meraz's qualifications. His scheduled start date will be April 30, 2007. Director Perry asked that Mr. Meraz attend our next Board Meeting.
- g. USBR and SCVWD Water Contract Committee (Perry/Bettencourt)**  
Mr. Gregg stated the committee met and reviewed our current status of these contracts. All three contracts have been successfully negotiated. The Bilateral Agreement with Santa Clara and the Amendatory Contract has been signed and are effective, but the Renewal Contract has not been signed pending some biological work. Mr. Gregg reported the Amendatory Contract was effective March 1, 2007. Mr. Gregg stated the new contract will affect our water rates and information will be required regarding land ownership related to the District. The summary of this information is due by the end of May 2007. Mr. Pipal reported, regarding validation of the contract, there were no answers to the complaint filed. Mr. Pipal is simply waiting for the judge to sign off. Mr. Gregg reported on the contract with SCVWD, an RFP is out and a pre-meeting with potential parties will be held tomorrow at Santa Clara. There will be an outage on Reach 1, for approximately 1 month, this winter and the selected consultant will be able to put their team in place. Mr. Gregg has received budget material from Santa Clara and they need to be reviewed. Mr. Gregg stated the Audit/Budget Committee will be reviewing the Cash/Fixed Cash Policy in respect to the USBR Contracts. The

question will be to use the reserve funds for urgency maintenance and repairs or for repayment purposes. Director Tobias stated this issue was also discussed at the Investment Committee. Director Perry stated the Santa Clara information needs to be transferred over to the new manager for continuity.

**12. District Manager/Engineer's Report:**

**a. Central Valley Project 2007-2008 Water Supply**

Mr. Gregg stated the Bureau did not change the allocation in April, despite the dry weather. The District has committed a few hundred feet of water above what we have. Percolation was done in Tres Pinos and San Benito River as an insurance policy and that will be classed as M & I Percolation and not Ag.

**b. San Felipe Distribution System Extension (Burkhart/Donati)**

Mrs. Nitschke reported the pipeline extension, for the east side of Foothill Road, has been a long process. To accomplish the extension, we will be utilizing an easement. Mrs. Nitschke gave a summary of the work that has been done thus far. San Benito Engineering is currently drawing up plans for the pipeline. The Board asked for a timeframe and Mr. Gregg stated he hoped to have a bid for approval before the Board at the August 2007 Meeting. Vice President Bettencourt asked the length of the pipeline and Mrs. Nitschke stated it is 800 feet of pipe.

**c. San Benito River Operations**

Mr. Gregg stated this item will be reported on at the May meeting.

**d. North Area High Groundwater Monitoring**

Mr. Gregg stated we hope to have a Groundwater Committee Meeting in May and hope to bring this item to the Board for consideration in May.

**e. Status of USBR Contract and Santa Clara Valley Water District "Bi-Lateral" Agreement**

Mr. Gregg stated this item was discussed under the Committee reports.

**f. San Benito County Water District Comments on Notice of Preparation of a Draft Environmental Impact Report for the City of Hollister Sprayfield Project and the San Benito County Regional Recycled Water Project**

Mr. Gregg stated the District's response was prepared, signed by the President and hand delivered to the City of Hollister, so as not to require an extension.

**13. Adjournment**

There being no further business, the meeting was adjourned at 8:57 p.m.

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*Minutes were approved at the May 30, 2007, Regular Board meeting and signed by the presiding board member.*

/s/Frank Bettencourt

**Frank Bettencourt, Vice President**

/s/Barbara L. Mauro

**Barbara L. Mauro, Recording Secretary**