

**June 28, 2006**  
**Regular Meeting**  
**7:31 p.m.**

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, June 28, 2006 at 7:31 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Present board members were President John Tobias, Vice-President Bob Swanson and Directors Ken Perry, Sonny Flores and Frank Bettencourt. Also present were District Manager/Engineer John S. Gregg, District Counsel David E. Pipal, Deputy District Engineer, Jeff Cattaneo, Consultant, Sara Singleton, Office Specialist II, Kathy Hill and Office Specialist II, Barbara L. Mauro.

### **CALL TO ORDER**

The meeting was called to order at 7:31 p.m. by President Tobias.

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

President Tobias led the Pledge of Allegiance to the Flag.

**b. Approval of Agenda**

Upon a motion made by Director Flores and seconded by Director Bettencourt, the Agenda was unanimously approved with the exception of Item #6 on the Regular Agenda, as the parties withdrew their request on Monday, June 26, 2006 and asked that this matter be put on hold until further notice.

**c. Public Input**

There were no public comments made.

### **CONSENT AGENDA**

- 1. Approval of Minutes for: May 30, 2006, Special Meeting and May 31, 2006, Regular Meeting.**
- 2. Allowance of Claims**
- 3. Consider Resolution Confirming District Policies Regarding Restriction and Designation of District Net Assets/Cash.**
- 4. Consider Resolution Regarding Consolidation of Elections**

Director Bettencourt asked about an item on the claims regarding Demineralization. Manager Gregg stated that they were expenses incurred in the Demineralization Feasibility Study Project and will be subject for reimbursement from the Santa Clara Valley Water District and the State of California in accordance with the grant terms and will include bills from RMC. Upon a motion made by Director Bettencourt and seconded by Director Flores, the Consent Agenda was unanimously approved.

## **REGULAR AGENDA**

### **5. Status of Hernandez Access Road Emergency Repair**

Mr. Gregg reminded the Board of the condition of the access road and how it threatened the road's stability, thus the board had declared an emergency. Mr. Gregg stated that work continues in relation to design, the lining up construction and equipment and the acquisition of the right of way, which is critical. Mr. Gregg stated that the landowners have been contacted but at this time we do not have an agreement and time is such that he will discuss with legal counsel how to proceed if necessary. Mr. Gregg has met with real estate agents to acquire property value information to support legal actions, if necessary.

### **6. Receive Petition regarding Water Supply Project at Thomas Ranch-Santa Ana Valley Road.**

\*\*This item was removed from agenda as per landowner's request.

### **7. Consider Resolution Approving Agreement with the City of San Juan Bautista for the Water Infrastructure Improvement Cooperative Financing Agreement, and Authorizing President to Execute.**

Mr. Pipal stated that we had asked the City of San Juan Bautista to draw up an agreement between themselves and the San Benito County Water District, to which we made a few changes. Mr. Pipal stated that the new agreement states the City of San Juan Bautista will be the sole recipient of the EDA Grant. Mr. Pipal continued that once the water treatment plant is complete and certified by the State of California, the San Benito County Water District will contribute two million dollars to the City of San Juan Bautista towards this plant. Mr. Pipal stated that the agreement has been signed by the City of San Juan Bautista, they have attached a copy of their resolution and it is before the Board tonight for their approval. Director Flores asked that if the District withdraws, will the City of San Juan Bautista still get the grant and Janice McClintock, the City Manager of the City of San Juan Bautista, stated that they have that approval.

Upon a motion duly made by Director Swanson and seconded by Director Perry, Resolution No. 2006-12, *A Resolution of the San Benito County Water District Board of Directors Approving the Water Infrastructure Improvement Cooperative Financing Agreement with the City of San Juan Bautista and Certain Related Matters.*

### **8. Report on Hollister Urban Area Water and Wastewater Master Plan**

Mr. Gregg reported that the MOU between the District, the City of Hollister and the County of San Benito had entered into in regards to the HUAWWMP is being pursued, and a significant amount of work has been done. Mr. Gregg stated that alternatives are being reviewed in respect to management of Groundwater Resources, Quality of Water, Wastewater Treatment and Disposal, and Recycled/Blended Water. Mr. Gregg reported that they are on track for time and

cost and the Master Plan will be completed by the end of this year. Mr. Gregg stated that there are some critical issues in relation to the District and the City of Hollister, to which the Board will be updated regularly. Mr. Gregg stated that the Board will be reviewing entitlements of San Felipe Water, and reminded the Board that the MOU gives the responsibility of development of future water supplies, provision of high quality water and the marketing of reclaimed water outside of the City of Hollister to the District. Mr. Gregg reported that there will be more details to follow at the next Board meeting.

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

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

Director Perry stated that there was nothing to report.

**b. Water Resources Association (Flores/Bettencourt)**

Director Flores stated that there was nothing to report.

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

Director Perry stated that there was nothing to report.

**d. Grants Committee (Swanson/Bettencourt)**

Director Swanson stated that there was nothing to report.

**e. Personnel Committee (Swanson/Perry)**

Director Swanson stated that there was nothing to report.

**f. San Juan Water System (Swanson/Perry)**

Director Perry stated that there was nothing to report.

**10. District Manager/Engineer's Report**

**a. San Justo Reservoir Operations**

Mr. Gregg stated that the Bureau of Reclamation restricted the operations earlier this year, which can affect how our customer's needs are met. Mr. Gregg stated that we will need to have withdrawals from San Felipe to meet these needs. Mr. Gregg reported that we are operating the reservoir at the limit, but would have to restrict deliveries if we experienced events such as power failures, etc. Mr. Gregg stated that we will keep in close communication with our customers should we encounter any problems.

**b. Cal Trans Preliminary Value Analysis Report, San Benito Route 156 Improvement Project**

Mr. Gregg stated that we have been invited to participate in a comment on this analysis and we have until July 17, 2006 to respond. Mr. Gregg stated that we will comment in regards to drainage issues but not on transportation issues.

**c. San Benito County Resource Conservation District Permit Coordination Program**

Mr. Gregg reported that the County of San Benito requested a letter of support from the District in regards to a grant application for permit coordination through the San Benito County Resource Conservation District for water quality monitoring and staffing for San Benito and Santa Cruz counties. Mr. Gregg stated that it was implied that the District had supported and/or approved the application and that the representative of the Resource Conservation made an error as Mr. Gregg has not given support or approval on behalf of the District for this program. Mr. Gregg also reported that on Monday, June 26, 2006, there was an Intergovernmental Meeting which he and Director Swanson attended and he will provide information at a later date to the Board on this matter. Mr. Gregg stated that neither he nor the Board has taken an official position on this matter.

**d. County Well Permitting Ordinance Review**

Mr. Gregg stated that in 2004, a permit for well permitting was given to the District with a one year review but the review had not been done due to staffing issues which resulted in the delay. However, Mr. Gregg stated the review was recently conducted and presented to the Board of Supervisors. Mr. Gregg reported there were no serious problems, and the only concerns were brought up by the Tres Pinos Water District and Supervisor Monaco stated their concerns were not a matter of well permitting but other issues. Mr. Gregg continued with the Groundwater Protection Ordinance which prohibits the use of a permit of a well which can draw down and extend outside the property where the well is located. The other issue, Mr. Gregg stated, is the change in use/development of off-site wells which would need coordination with the San Benito County Planning Department. The Board of Supervisors directed the Planning Director to review those issues and any others, make a progress report in three months, with a final report in six months. At the Board of Supervisors meeting no one spoke against the District with the exception of the Tres Pinos Water District, but they looked to the Supervisors for support on the management of the development in Tres Pinos.

**e. USBR Contract Renewal**

Mr. Gregg stated that we are at a point for an agreement to be reached between the District and Santa Clara Valley Water District in respect to implementation of repayment to the Bureau of Reclamation. Mr. Gregg stated that it will involve a consolidated service area. Mr. Gregg stated the issue of Reach 1 Facility is critical for both districts, but is most critical to the San Benito County Water District. Mr. Gregg stated the committee met this afternoon and a meeting is scheduled with Santa Clara on June 30, 2006.

**f. Agency Shop Implementation**

Mr. Gregg reported that the result of the election was approval of an agency shop and through our labor relations attorney, labor negotiations are in process for implementation. Mr. Gregg stated that there will be an agreement drawn up, by the labor relations attorney, between the District and the SEIU.

**g. Irrigation System Improvement Project**

Mr. Gregg stated that the State of California Water Resources Board met earlier this month and approved the three million dollar loan to the District which is essentially, a letter of credit. Mr. Gregg reported that the District can draw from this fund for agricultural customers for irrigation equipment and we will move forward to making this program district wide.

**h. San Benito County Water District Budget**

Mr. Gregg stated that the goal is to have the budget complete by the end of July 2006 and our staff is working closely with the Audit and Budget Committee.

**11. Adjournment**

There being no further business, the meeting was adjourned at 8:12 p.m.

---

*Minutes were approved at the July 26, 2006, Regular Board meeting and signed by the presiding board member.*

*/s/John Tobias*  
**John Tobias, President**

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