

**Special Meeting
September 13, 2006
5:30 p.m.**

The Board of Directors of the San Benito County Water District convened in special session at 5:30 p.m. at 30 Mansfield Road, Hollister, CA. Board Members present were: President John Tobias, Vice-President Bob Swanson, Directors Ken Perry, Sonny Flores and Frank Bettencourt. Also present were: District Manager/Engineer John S. Gregg, Deputy District Engineer Jeff Cattaneo, District Counsel David E. Pipal, Administration and Finance Manager Shelley Giancola, Consultant Harry Blohm and Office Specialist II, Barbara L. Mauro.

CALL TO ORDER

a. Pledge of Allegiance to the Flag.

President Tobias led the Pledge of Allegiance to the Flag.

AGENDA

1. Review of the District Comments on the City of Hollister Domestic Wastewater System Improvements and San Benito County Water District Recycled Water Facility Project Draft Environmental Impact Report (SCH#2006012149) and direct staff.

President Tobias stated that Mr. Pipal would offer legal advice on comments and the District's responsibility. Mr. Pipal stated we are in the middle of a CEQA process. Mr. Pipal reported that we have received a copy of a Draft EIR from the City of Hollister and solicited our comments. Mr. Pipal stated if we have comments, we are required to make them by the deadline of Friday, September 15, 2006. After submission of these comments, the District can make supplemental comments, if necessary. Mr. Pipal stated that once the City of Hollister has received all the comments, they can choose to accept or reject comments. Under the terms of the Cooperative Agreement with the City of Hollister and San Benito County, they are required to consult with the District regarding any mitigation measures to be incorporated into the final EIR. Mr. Pipal stated that once mitigation measures are developed, the City can consider certification of a Final EIR. Mr. Pipal stated if significant environmental effects still exist and have not been addressed in any mitigation measures; the City must either reject the project or adopt a finding that states the need for the project outweighs the significant environmental issue(s). Mr. Pipal suggests replying by Friday to the City. Director Perry asked if San Benito County has responded and do they have to? Mr. Pipal reported they have been asked to, but no one **has** to comment. Supervisor Pat Loe, from the audience, stated the County has some comments that will be presented to their board next Tuesday, September 19, 2006. Mr. Pipal asked Supervisor Loe when their deadline was and she did not know, but assumed it was the same as the District. Mr. Gregg stated the actual deadline was September 11, 2006, but on September 8, 2006, the District asked for an extension to September 15, 2006 but did not receive a response from the City.

Mr. Gregg reviewed with the Board; the Draft EIR is a work product of a consulting firm working for the City of Hollister, who is the lead agency. Mr. Gregg stated that significant issues, such as water quality and balances, were not addressed, in the Special Board Meeting 9/13/2006

District's view, in the DEIR and brought to the City's attention. The City of Hollister, given their timeline, withdrew from cooperative efforts with the District and went to print with the Draft EIR. Mr. Gregg stated the entire document does not address the issues of salt and water quality, water balance and water levels. Mr. Gregg reported some of their mitigation measures are impossible or impractical. Mr. Gregg stated the draft comments prepared for the Board are from EDAW, a consulting firm contracted with the District and from staff. Mr. Gregg reported that in the DEIR, the water quality is not adequate nor is the clarity of the project. President Tobias asked if any members of the Board had questions regarding legal obligations in responding and there were none. President Tobias asked at what point did the City of Hollister move out on their own, and Mr. Blohm stated it was during the month of July, 2006.

Vice President Swanson stated he isn't comfortable with the District's name in the title of the Draft EIR and Mr. Gregg stated we can have it removed on the final document. Director Bettencourt asked for clarification of the recycled water and Mr. Gregg reported it refers to recycled water from the Domestic Wastewater Treatment Plant. Mr. Gregg stated the first phase would include disposal at the airport site. Phase I is a base but does not include water quality in regards to minerals or salt. President Tobias expressed concern that percolation will not be reduced and Mr. Gregg stated this document presents that it will be significantly reduced. Vice President Swanson asked for the timeline of Phase I and II and Mr. Gregg reported Phase I is to serve through 2013 and Phase II to begin in approximately 2014. President Tobias asked if demineralization is included in the DEIR and Mr. Gregg stated is not clear. Mr. Pipal reported that the status of demineralization is not known and more EIR work will be needed for Phase II per the DEIR. Vice President Swanson is most concerned about the groundwater, and feels it is the responsibility of the District to evaluate it. Mr. Gregg stated the document says there will be no growth through 2008; the project will preserve the current percolation and only a slight increase off-site. Vice President Swanson asked if the Regional Water Board will see our comments to the DEIR and Mr. Gregg said they would. Mr. Gregg reported that the City has obtained a detailed analysis of the sites as well as the San Juan Valley. Mr. Gregg reported there are differences in the sprayfield capacity, relating to the airport. President Tobias asked if there is a limit of water that can be taken to the airport and Mr. Gregg reported there is a limit, but it is not plainly stated. Vice President Swanson asked about the Hydrogeologic Study and Mr. Gregg reported it was performed by Gus Yates with water studies done by Geomatrix. Mr. Gregg stated his opinion regarding the water portion is that it doesn't matter and also the airport is an ideal location.

Director Perry asked what is the maximum amount of water at the airport; he feels the airport site is inadequate. Mr. Blohm stated in Phase II, in the DEIR, there will be demineralization, but there is no commitment for it. Phase I has flaws as well. Mr. Blohm continued that the District needs to get Phase I in concrete and clarify Phase II as it is too generalized. Director Perry is concerned about trust in Phase I. Mr. Blohm clarified the percolation numbers which are currently 2.75 increasing to 3.5 according to this project. Also the Governance Site Selection Sub Committee has been asked to find out what studies need to be done at the airport over the period of use. Director Perry stated the District has an obligation to the landowners of the San Juan Valley even if the City of Hollister does not.

Mr. Gregg stated the DEIR misinterprets the Basin Plan. Mr. Gregg reported this is a two part problem (regarding TDS) in regards to groundwater and the treatment plant, both legal and factual. The modeling assumptions shows no domestic wastewater being

discharged at the plant and this has not been evaluated properly. Vice President Swanson is not angry with the City and is for growth, but he is concerned with this project's affect on the groundwater and it has not been studied properly.

Mr. Gregg reviewed the draft of the comments given to the Board members on Monday and also, Board members were given an updated draft, dated September 13, 2006 so the Board can adequately come to a conclusion based on their interpretation of the DEIR. President Tobias asked what sites has the City addressed at project level and Mr. Gregg stated the airport and San Juan Oaks and advised the Board that evaluation of addition sites can be made by the City no later than March 2007. Mr. Blohm stated the additional sites that are being considered are Flint Hills and the Sod Farm. President Tobias asked if the landowners of these future sites had been contacted and Mr. Blohm stated he did not know. Mr. Gregg reported that a property can be selected over the protest of a landowner. Supervisor Loe asked if imminent domain could be used and Mr. Gregg stated yes. President Tobias asked if comment #14 (9/13/06 version) protected the District and Mr. Pipal said yes.

President Tobias asked about the reference to the Williamson Act. Mr. Gregg stated that you can acquire ag land for public purposes, but he does not know if that could be done in this case. Vice President Swanson said this was done in San Benito County at Hollister Hills.

According to the DEIR, it states that sodium is not an issue but the District states that it is an issue (item #21 on the 9/13/06). Item #30, regarding current land use, Mr. Gregg stated is not correct in 2023. The model is inconsistent as it shows the land use is the same in 2023 as it is today.

President Tobias stated in the DEIR, it shows percolation decreases and obviously it will not decrease, so the table shows conflicting information. President Tobias would like this noted in our comments. Director Perry would like to know how the City will measure the water in the ponds and Mr. Gregg stated he did not know. Mr. Blohm added the City does use evaporation in their representation but it is not shown in the DEIR. Director Perry wants disclosure of how many gallons are going through the pipes each year and how can this be accomplished? Mr. Gregg reported that there needs to be a water measurement program to accomplish this.

President Tobias asked about item #37, regarding the measurement of water at the airport, the numbers are inconsistent. Mr. Gregg stated it is noted in the District's comments. President Tobias asked if the District should be listed on this document and Mr. Gregg referred to Mr. Pipal. Mr. Pipal stated that the City of Hollister is the lead agency, not the District, so we will have to ask this question of the City. Mr. Gregg stated the Final EIR would be the time to remove the District's name. Vice President Swanson feels that we need to get recycled agricultural water out of this. Director Perry stated that it is the intension of the Board of Directors to have the District's name removed prior to the Final EIR.

Mr. Gregg stated the MOU document stated the SBCWD will be responsible for recycled water outside of the City of Hollister. The District could request additional time to respond with our comments or we could submit these comments and provide supplemental comments on a later date. President Tobias asked Mr. Gregg if the three

points made in his memo to the Board on 9/11/06 have been addressed in the District letter to accompany our comments. Mr. Gregg stated that he felt they are.

Upon a motion made by Director Flores to go forward with the letter and comments from the District, based upon the comments made by the Board of Directors at tonight's meeting and to remove our name from the Final EIR document and seconded by Director Perry, this was passed by a 4-1 vote, with President Tobias, Director Perry, Director Flores and Director Bettencourt voting yes and Vice President Swanson voting no.

President Tobias would like to obtain copies of the other public agencies comments for the DEIR and Mr. Gregg stated he would get copies for the Board.

Director Bettencourt asked if this would come before the Board of Directors again and Mr. Gregg stated a final document will be prepared and the District would be consulted at that time. President Tobias asked if they can ignore our comments and Mr. Pipal said yes.

Mr. Gregg stated the City of Hollister has an obligation to respond to our comments, whether it is to our satisfaction or not, is completely up to them. Mr. Gregg also stated we can make additional comments at any time.

Vice President Swanson voted no on this item, and it has nothing to do with the District being listed in the title, his opposition is that SBCWD is not representing groundwater and sprayfields adequately and not studying the issues enough.

Director Perry stated that he and President Tobias have been on the Governance Committee and have tried to move it forward. It is a good project and the City of Hollister won't do what is needed.

President Tobias stated that the City constantly has deadlines to force the decisions to be made without the proper time. Director Perry stated that the District has spent a lot of time and money to help this project, hired good people like Harry, and the City snubs us.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:37 p.m.

Minutes were approved at the September 27, 2006, Regular Board meeting and signed by the presiding board member.

/s/ Kenneth Perry
Robert Swanson, Vice President

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