

**October 25, 2006  
Regular Meeting  
7:30 p.m.**

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, October 25, 2006 at 7:30 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present 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, Deputy District Engineer Jeff Cattaneo, District Counsel David E. Pipal, Irrigation Engineer Mica Nitschke, Office Specialist II Kathy Hill and Office Specialist II Barbara L. Mauro.

**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 from Director Perry and seconded by Director Flores, the Agenda was unanimously approved.
  
- c Public Input**  
No public comments were made.

**CONSENT AGENDA**

- 1. Approval of Minutes for: September 27, 2006  
October 16, 2006**
  
- 2. Correction of Minutes for: March 29, 2006**  
Item Number 11 on the agenda for the March 29, 2006 meeting did not show action in the minutes. The item, Consider Extending District Auditor, Brown, Kaufman and Associates, LLP, for an Additional Year to Provide Audit Services and Authorize District Manager to execute Letter of Engagement, a motion was made by Director Flores and seconded by Director Bettencourt and the Board unanimously approved this item.
  
- 3. Allowance of Claims**
  
- 4. Investment Report**
  
- 5. State Water Rights Fees**
  - a. Consider Authorizing Payment of Water Rights Fees Under Protest and Petition for Reconsideration**

**b. Consider Confirming District Manager’s Authority to Sign Agreement Regarding Authorization of Representation by Somach, Simmons & Dunn for 2006-2007 Fiscal Year with respect to State Water Rights Fees**

Director Perry had two questions regarding the claims. Regarding Harry Blohm, is the payment the District’s portion alone and Mr. Gregg stated that amount will be shared amongst the three agencies, the City of Hollister, San Benito County and the District. Also, Director Perry asked what Lauren Filice’s payment was for and Mr. Gregg stated she reviews San Benito County and the City of Hollister Planning Proposals. There being no further questions, Director Flores made a motion and seconded by Director Bettencourt, the Consent Agenda was unanimously approved.

**REGULAR AGENDA**

**6. Hernandez Dam Access Road Emergency Repair**

**a. Status of Right of Entry/Access for Emergency Repair**

Mr. Cattaneo reported that last week, the District received the right of entry as both landowners have now signed the access agreement.

**b. Authorization to Execute Permanent Road Easement—Maas/Henze Family Trust**

Mr. Pipal stated that he has not received this document, so he felt this matter should be postponed. President Tobias asked if this would affect the District going forward and Mr. Pipal stated no, as we have the license agreement in place. President Tobias asked that this item be forwarded to the next Board of Directors meeting in November 2006.

**c. Authorization to Issue Purchase Order for Force Account Emergency Road Repair**

Mr. Cattaneo reported on the process of obtaining a contractor for this repair. Five requests were sent out and three were received. The three bids were from Enz Construction, Granite Rock and Nicholson’s. Mr. Cattaneo reported the low bid was from Enz Construction at an estimated amount of \$28,930.00. The bid was for time and materials and equipment use for one week. Mr. Cattaneo stated the uncertainties would be the amount of rock and the possibility of the need for larger equipment. Mr. Cattaneo reported the start date for this project will be November 6, 2006. President Tobias asked if the new road will have any surfacing and Mr. Cattaneo stated it would be continue to be a dirt road. Mr. Cattaneo stated the action needed tonight would be for the Board to authorize the District Manager to issue a purchase order to Enz Construction. With a motion made by Vice President Swanson and seconded by Director Perry, the San Benito County Water District Board of Directors unanimously approved authorizing the District Manager to issue a purchase order to Enz Construction for \$28,930.00.

**7. Status Report on San Justo Reservoir**

Mr. Gregg reported the District kept San Justo within a foot of the target of the limit given to the District by the Bureau, but the demand for water is already diminishing. However, the District did get through the high water demand of summer. Director Perry asked if the District will be looking to fix the pumps and Mr. Gregg stated staff is working with URS on a work plan to address this issue and URS will have a presentation for the Board next month.

**8. Acknowledge the September 25, 2006 Letter From Santa Clara Valley Water District Regarding The Delay In Finalizing the San Felipe Division Bilateral Agreement Between Our Two Districts and Direct District Manager.**

President Tobias and Mr. Gregg both felt this is a non-issue and response from the District will not be necessary.

**9. Acknowledge the October 9, 2006 Letter From The City of Hollister Regarding Their Intent To Affirm Their Commitment To Implementing All Facets Of The Memorandum Of Understanding Regarding The Hollister Urban Area Water and Wastewater Master Plan (HUAWWMP) and Direct District Manager.**

Mr. Gregg stated it would be appropriate for the Board to acknowledge receipt of the letter and direct the letter to the Wastewater Treatment Committee for review and ask the committee to report back next month. President Tobias referred this matter to the committee.

**10. Consider Authorizing District Manager to Obtain: 1) Legal Opinion(s) regarding movement of and place of use for CVP and SWP water, groundwater and local surface water; and 2) Mapping of Service Areas, and Water Rights Places of Use**

Mr. Gregg stated this issue is a result of the discussion made with the Expansion Committee and it is important to the District to understand what water resources are available and how groundwater is moved around. Mr. Gregg expects the District will use Kronick, Moskovitz, Tiedeman and Girard for the legal aspect and use Bookman-Edmondson for the mapping. President Tobias stated this request came out of the Expansion Committee from members of the community. Director Bettencourt asked where the movement of water would be and President Tobias stated it would be primarily out of Zone 6. Vice President Swanson reported on the discussion from the Expansion Committee meeting. Mr. Gregg has spoken to Jan Goldsmith but not Bookman-Edmondson yet, but Ms. Goldsmith is confident is using their firm. Vice President Swanson and Mr. Gregg stated this should take approximately sixty days. Mr. Gregg added that some of the maps are very old, such as the Hollister Irrigation District for example this may make some of the mapping difficult. Upon a motion made by Vice President Swanson and seconded by Director Perry, the San Benito County Water District Board of Directors unanimously Authorized the District Manager to Obtain 1) Legal Opinion(s) regarding movement of and place of use and place of use for CVP and SWP water, groundwater and local surface water; and 2) Mapping of Service Areas, and Water Rights Places of Use.

**11. Consider Authorizing San Benito County Water District's participation with the San Benito County Farm Bureau in the University of California Cooperative Extension's Farm Water Quality Planning Short Courses (AG Waiver).**

Mr. Gregg stated the District has participated in this program over the past 4-5 years and the issue now is a shortage of funding. Mrs. Nitschke gave an overview of the program. Farmers are required to have 15 hours in these short courses which are good for 5 years and prevent the farmer from getting a discharge permit. Mrs. Nitschke stated the amount being considered is \$15,000.00 which will assist our farming customers in getting into compliance and perhaps a rebate, as the cost has been a complaint. Vice President Swanson asked Mrs. Nitschke to get further information regarding these courses and the mandatory regulations. President Tobias asked if these regulations apply to small farmers and ranchers and Mrs. Nitschke stated according to the Farm Bureau they are included. Mrs. Nitschke stated the purpose of these courses is to formulate a farm plan following the criteria of the State Water Board. President Tobias asked Mr. Gregg if he should invite Curt Schmidt to attend the November 2006 Board Meeting and answer some of these questions. Mr. Gregg suggested funding next month's class, as it is for Irrigated Ag, which would be approximately a \$5000.00 contribution. Upon a motion made by Vice President Swanson and seconded by Director Bettencourt, the San Benito County Water District Board of Directors unanimously Authorized the Funding of next month's class on Irrigated Ag with the approximate cost of \$5000.00.

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

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

Mr. Gregg reported SLDMWA Board may be considering participating in a Bay Delta program and he expects to attend the next meeting to express the District's concern regarding this program.

**b) Pajaro River Watershed Flood Prevention Authority (Perry/Bettencourt)**

Director Perry reported, in regards to the video Stuck In The Mud and the American River, the District provided San Benito County with all necessary information for them to offer a response to the video. Director Perry stated it was the responsibility of the County to respond as they are the land use agency. The meeting of the Pajaro River Watershed Flood Prevention was cancelled due to a lack of a quorum, according to Mr. Cattaneo. Director Perry felt the District did their job and felt the County should have responded to the discrepancies in the video.

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

President Tobias reported the committee will be discussing the letters received from the City of Hollister and the Sunnyslope County Water District. Also, the Committee will discuss the response from the City of Hollister to the District's Draft EIR comments. Mr. Gregg reported that

the Final EIR is now available. Mr. Gregg stated the concern remains about the amount of water being percolated at the domestic and industrial plants. Mr. Gregg is recommending the District send a letter to the City of Hollister related to the percolation amounts and he intends to discuss this tomorrow with the committee. Director Bettencourt asked if Sunnyslope will be contributing any funds. President Tobias stated that issue will be discussed and brought back to the Board. Mr. Gregg continued that the recent letter from Sunnyslope is asking to petition the Regional Board for compliance regarding their discharge permit.

**d) Expansion Committee (Tobias/Swanson)**

President Tobias and Vice President Swanson had nothing additional to report.

**e) Investment Committee (Tobias/Flores)**

Director Flores stated the rates are up and stated the committee received information on the impact the new Bureau Contracts will have on our investment policies. President Tobias stated the prepayments schedules will also be discussed as the District moves forward. Mr. Gregg reported that minutes from the Investment Committee will be going to the Board and he recommends the Board review this information, particularly as it relates to the new contracts.

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

**a) Fairview Road Water System**

Mr. Cattaneo reported that 1 ½ years ago the District took over the Fairview Road Distribution, which has 1 well, 1 storage tank and 10 hook-ups. The District has had an ongoing problem with Total Coliform, which is a violation with the Department of Health Services. Mr. Cattaneo stated we are currently on a boil order as a precaution. We continue to try to locate the source of the problem and there have been no health issues reported.

**b) San Felipe Water Quality**

Mr. Cattaneo stated there was concern about monitoring water quality in the San Juan Valley which was brought to the District's attention regarding the spinach crops. The District has been sampling from the San Juan Valley out of Sub 10 and testing weekly. Mr. Cattaneo reported that only on 10/18/06, there was a reading of 7.5 on the E coli Coliform, which is still very low and not a level for concern. President Tobias asked about the readings of 1.1, and Mr. Cattaneo stated this level would be considered drinkable in surface water. President Tobias asked at what level would be a cause for concern and Mr. Cattaneo reported that 200/100 ml of water is considered safe for body contact according to the Water Quality Safety Board, hence the District's results are extremely low. Director Bettencourt asked how the District conducts the tests and Mr. Cattaneo stated we use Bolsa Analytical to perform our testing. President Tobias appreciates the District supplying the results from these tests to the

customers. President Tobias feels that growers will be required to regularly test their water by next year.

c) **District Water Rates and Charges**

Mr. Gregg referred to a previous meeting where the probable impact of Proposition 218 would affect increasing our water rates. If it is applicable, we will need to notify our water customers and accelerate our rate process as it has a minimum of a 45 day notification period. Mr. Gregg stated the Rate Committee should plan to meet early next month.

d) **USBR Contract Renewal**

Mr. Gregg stated that the Board should continue to review the contracts and would like to set up a Special Board Meeting on November 16<sup>th</sup> at 5:30 p.m. The Board of Directors agreed to this date and time. Mr. Gregg also reported that Jan Goldsmith is also available to meet with the Board on this date.

e) **SBCWD Budget**

Mr. Gregg reported the Audit and Budget Committee has a meeting scheduled for October 31<sup>st</sup>.

**14. Adjournment**

There being no further business, the meeting was adjourned at 8:43 p.m.

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*Minutes were approved at the October 25, 2006, Regular Board meeting and signed by the presiding board member.*

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

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

