

March 27, 2019
Regular Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, March 27, 2019 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Sonny Flores, Vice President John Tobias and Directors Frank Bettencourt, Joe Tonascia and Doug Williams. Also present were District Manager/Engineer Jeff Cattaneo, Assistant Manager Sara Singleton, Deputy District Engineer Garrett Haertel, Supervising Accountant Natalie Sullivan and Board Clerk/Office Specialist III Barbara Mauro.

CALL TO ORDER

President Flores called the meeting to order at 5:00 p.m.

- a. **Pledge of Allegiance to the Flag**
President Flores led the Pledge of Allegiance.
- b. **Speakers will be limited to 5 minutes to address the Board; rebuttal will be limited to 3 minutes; no new business agenda items will be heard after 8:00 p.m.**
- c. **Approval of Agenda**
With a motion by Vice President Tobias and a second by Director Tonascia, the Agenda was unanimously approved.
- d. **Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda**
There were no public comments.

CONSENT AGENDA:

1. **Approval of Minutes for: February 27, 2019 Regular Meeting**
2. **Allowance of Claims**
3. **Acknowledgement of RPA Stabilization Fund Refund of \$19,490.47 from ACWA/JPIA**

With no questions from the Board, a motion was made by Director Bettencourt and seconded by Director Tonascia; the Consent Agenda was unanimously approved.

REGULAR AGENDA:

4. **Discuss and Consider Approval of Contract with Todd Groundwater for Expansion and Update to the Northern San Benito County Groundwater Model for Application to the Expanded Pacheco Reservoir Project (NTE \$55,000)**

Mr. Cattaneo stated as part of the Expanded Pacheco Reservoir Project, some modeling is needed and is part of our participation in the project. Valley Water (formerly Santa Clara Valley Water District) asked for our District to issue the contract on the expansion work to be done by Gus Yates as well as the SGMA work, at the same time. This will be an extension of the groundwater model the District already has.

Vice President Tobias asked if it's separate from our SGMA contract. Mr. Cattaneo confirmed, yes, this is separate from the work Todd Groundwater is doing for SGMA.

Mr. Bettencourt, an audience member, asked if this will be a public document. Mr. Cattaneo stated yes but that it is part of SGMA, so it will be in draft until 2021 when SGMA is finalized.

With no further questions, a motion was made by Director Tonascia and seconded by Vice President Tobias; the Board of Directors unanimously Approved of a Contract with Todd Groundwater for Expansion and Update to the Northern San Benito County Groundwater Model for Application to the Expanded Pacheco Reservoir Project, NTE \$55,000.

5. Discuss and Consider Approval to Purchase a new vehicle and Authorize the District Manager to sign all necessary documents (NTE \$41,000)

Mr. Cattaneo reviewed the vehicle replacement schedule. There is a District vehicle with approximately 145,000 miles and a transmission issue, which would be a costly repair. Staff is requesting to surplus this vehicle and authorize the purchase of a new vehicle through the state vehicle procurement contract, not to exceed \$41,000. The District is looking at purchasing a Ford instead of a General Motors because GM is changing the body style of the truck the District normally purchases and it won't be available until 2020.

With a motion by Director Bettencourt and a second by Director Williams, the Board of Directors unanimously Approved the Purchase of a new vehicle and Authorized the District Manager to sign all necessary documents, NTE \$41,000.

6. Consider Authorizing the District Manager to Surplus Vehicle, 2006 Chevrolet ¾ ton Silverado 2500, VIN #1GBHK24U66E205005

Mr. Cattaneo stated this is the surplus of the vehicle being replaced.

With a motion by Vice President Tobias and a second by Director Bettencourt, the Board of Directors unanimously Authorized the District Manager to Surplus Vehicle, 2006 Chevrolet ¾ ton Silverado 2500, VIN # VIN #1GBHK24U66E205005.

7. Discuss and Consider Authorizing the District Manager to sign San Luis & Delta-Mendota Water Authority Exchange Contractors 2019-2023 Transfer Program Activity Agreement

Mr. Cattaneo stated the District has approved a 5 year agreement 3 previous times, regarding Exchange Contractors Transfer Agreements. This agreement allows the District access to additional water outside of the CVP contract. It will be approximately 1000-1500 AF annually. This water was critical during the drought. Mr. Cattaneo reviewed the allocation and the pricing structure.

With a motion by Director Tonascia and seconded by Director Bettencourt, the Board of Directors unanimously Authorized the District Manager to sign the San Luis & Delta Mendota Water Authority Exchange Contractors 2019-2023 Transfer Program Activity Agreement.

8. Discuss and Consider Resolution Approving an Interim Policy to Sell Full Cost Ag Accounts Non Project Water in Lieu of Full Cost Federal Water for Water Year Commencing March 1, 2019

Mr. Cattaneo described for the Board the parameters for full cost customers. Currently the rate for full cost customers is \$407/AF. The District has 2600 AF in storage of Non-Federal water which the District could sell to the full cost customers. Mr. Cattaneo stated there is a fee to bring this water through the Federal facilities. The approximate amount needed for this category of customers is 1500 AF and staff is proposing a charge of \$365/AF, which is sufficient to cover the Districts costs. The benefit to the District is to encourage the use of imported water instead of customers using groundwater.

Vice President Tobias asked if this will be available every year. Mr. Cattaneo stated this is only for a single year.

With a motion by Vice President Tobias and a second by Director Tonascia, Resolution #2019-03 *A Resolution of the Board of Directors of the San Benito County Water District Approving an Interim Policy to Sell Full Cost Ag Accounts Non Project Water in Lieu of Full Cost Federal Water for Water Year Commencing March 1, 2019* was unanimously approved.

9. Discuss and Consider Resolution for Hernandez Reservoir Spillway Assessment Grant Funding Application Submittal

Mr. Haertel stated agenda items 9 and 10 are essentially the same, except one is for the assessment of the spillway and the other is for the spillway repair. Mr. Haertel stated the State requires agencies applying for grant funds to have had them pre-approved by their respective boards prior to the application.

Mr. Cattaneo added if the grant funds are awarded, they will help defer some of the costs from GEI that the Board approved at the February meeting.

With a motion by Director Tonascia and a second by Director Williams, Resolution #2019-04, *A Resolution of the Board of Directors of the San Benito County Water District for Hernandez Reservoir Spillway Assessment Grant Funding Application Submittal* was unanimously approved.

10. Discuss and Consider Resolution for Hernandez Reservoir Spillway Repair Grant Funding Application Submittal

Mr. Haertel stated this is the other resolution he referred to in the previous agenda item.

With a motion by Vice President Tobias and a second by Director Bettencourt, Resolution #2019-05, *A Resolution of the Board of Directors of the San Benito County Water District for Hernandez Reservoir Spillway Repair Grant Funding Application Submittal* was unanimously approved.

11. Discuss and Consider Resolution Approving an Interim Policy to Sell Additional Water based on increased Federal Allocation at a Reduced Cost

Mr. Cattaneo stated the District has extra water to deliver because the Bureau has increased the water allocation. The rate analysis was figured on a 35% Ag allocation and

it is now 55%. Staff is proposing to keep the Ag rate at \$254/AF, up to 70% of the customers' allocation, which will cover the fixed costs and then \$110/AF when customers exceed 70% of their allocation. Mr. Cattaneo stated this will encourage customers to purchase.

Director Bettencourt asked if this is only for the current year and Mr. Cattaneo stated yes.

With a motion by Vice President Tobias and a second by Director Williams, Resolution #2019-06, *A Resolution of the Board of Directors of the San Benito County Water District Approving an Interim Policy to Sell Additional Water based on increased Federal Allocation at a Reduced Cost* was unanimously approved.

12. **Consider Director Attendance at JPIA Board of Directors Meeting and Spring Conference, May 6, 2019, Monterey, California**
As per Mr. Cattaneo, if any directors are interested, please let Mrs. Mauro know.
13. **Consider Director and District Manager (or his Designee) Attendance at ACWA Spring Conference, May 7 through 10, 2019, Monterey, California**
As per Mr. Cattaneo, if any directors are interested, please let Mrs. Mauro know.
14. **Committee/Agency Representative Reports:**
 - a) **San Luis Delta Mendota Water Authority (Tobias/Tonascia)**
As per Mr. Cattaneo, at their regular meeting, the Authority decided to borrow funds for the pump rewind and pay as you go; it will be included in this year's rates. As per Director Tonascia, at the Strategic Planning Session, the draft of Future Goals is almost complete. Mr. Cattaneo added, the biggest concern is the participation of Westlands Water District in the Authority in the future.
 - b) **Finance Committee (Tonascia/Williams)**
As per Director Tonascia, the items have already been covered.
 - c) **Zone 6 Water Supply Committee (Tobias/Flores)**
As per Director Flores, the items have already been covered.
15. **District Manager/Engineer's Report:**
 - a) **Reach 1 Operations**
As per Mr. Cattaneo, the District is expecting the Budget very soon from Valley Water and staff is waiting for the evaluation of the overhead fee to be completed.
 - b) **Zone 3 Operations**
As per Mr. Cattaneo, Hernandez Reservoir is not full yet. Water is flowing well into the San Benito River and into the Paicines Reservoir.
 - c) **Zone 6 Operations**
As per Mr. Cattaneo, San Justo Reservoir was filled by the end of February. San Luis Reservoir did fill but staff is uncertain about how much rescheduled water has been lost. District staff will continue to percolate at Union Road.

Mrs. Singleton and Mr. Haertel attended 2 sessions on the WIIN Act. Part of this Act states that CVP contractors can pay off their in-basin capital portion costs,

which our District currently owes \$3 million. Mrs. Singleton stated it would benefit the District and its customers. If paid off, the District would no longer need to comply with the RRA, the 960 acre limitation goes away as does the Full Cost. Mrs. Singleton added our contract would renew into perpetuity. The next negotiation will be in May. This item may come to the Board at a later date to discuss the options.

Director Tobias asked if it will change our San Felipe division repayment schedule. Mr. Cattaneo stated no it will not.

d) San Luis Delta Mendota Authority Activities

As per Mr. Cattaneo, this was covered under the committee reports.

e) SGMA Update

As per Mr. Cattaneo, staff and the consultants are working on the Conceptual Model Draft and the Groundwater Conditions. The next Technical Advisory Committee (TAC) Meeting is scheduled for April 24, 2019 and Todd Groundwater will give the Board an update at the April 24, 2019 Board Meeting.

f) Pacheco Reservoir Expansion Project

As per Mr. Cattaneo, District staff continues to work with Valley Water. The first meeting on the allocation agreement has been held; Mr. Cattaneo, Mr. Haertel and Bob Ellis represented our District. Staff continues to work on the agreement between our two Districts but the allocation of benefits must be completed first. Mr. Cattaneo reported staff continues to work with Mr. Blohm and Mr. Ellis to develop a Project Plan and he anticipates bringing the plan to the Board at the next meeting.

16. Adjournment

With no further business to discuss, the meeting was adjourned at 5:53 p.m.

The minutes were approved at the April 24, 2019 regular Board meeting and were signed by the presiding board member.

/s/Sonny Flores
Sonny Flores, President

/s/Barbara L. Mauro
Barbara L. Mauro, Board Clerk