

May 27, 2020
Regular Meeting
5:02 p.m.

On March 12, 2020, Governor Newsom issued Executive Order N-25-20, which enhances State and Local Governments' ability to respond to COVID-19 Pandemic; this meeting was conducted with some members participating via conference phone. Because of this, all voting was done by roll call vote.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, May 27, 2020 at 5:02 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President John Tobias and Directors Sonny Flores, Joe Tonascia and Doug Williams; Vice President Frank Bettencourt participated via conference phone. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel Jeremy Liem, Assistant Manager Sara Singleton, Supervising Accountant Natalie Sullivan and Board Clerk/Office Specialist III Barbara Mauro.

CALL TO ORDER

President Tobias called the meeting to order. Roll call was taken by Mrs. Mauro; President Tobias and Directors Flores, Tonascia and Williams attended at the District; Vice President participated via a conference line.

- a. **Pledge of Allegiance to the Flag**
President Tobias 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 Director Tonascia and second by Director Williams, the Agenda was approved by 5 affirmative votes, Tobias, Bettencourt, Flores, Tonascia and Williams.
- 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: April 29, 2020 Regular Meeting**
2. **Allowance of Claims**
3. **Acknowledgement of Paid Claims prior to the May Board Meeting**
4. **Recognizing David Macdonald for 5 Years of Service, Certificate Issued**

With a motion by Director Tonascia and a second by Director Flores, the Consent Agenda was approved by 5 affirmative votes, Tobias, Bettencourt, Flores, Tonascia and Williams.

REGULAR AGENDA:

5. **2020-2021 District Budget**
 - a. **Presentation of 2020-2021 District Budget**
Mrs. Sullivan stated the Budget comes before the Board, with a recommendation from the Finance Committee.

Mrs. Sullivan, utilizing a Power Point presentation, began by reviewing the Operating Budget. Mr. Cattaneo asked Mrs. Sullivan to explain why the budget is unbalanced. Mrs. Sullivan stated the cost of water is higher due to the District's lower water allocation, which in turn makes the District purchase more water. Also, she added property tax revenue may decrease over time due to the COVID-19.

Mr. Cattaneo added the District received a 15% water allocation for Ag, which meant a deficit of 6500 AF to meet the Ag contract obligations. Purchasing water outside of our contract means an increase of \$400-500/AF. Also, the District is anticipating a property tax revenue decrease due to the pandemic and recession, although it has not happened yet. Staff looked back to the recession in 2008-2009. Mrs. Singleton added during that time (2008-2009), it took 7-9 years for recovery.

Mrs. Sullivan continued with reviewing revenue and expenses for the Operating budget.

Mr. Cattaneo reviewed the Capital Budget, discussing the projects included in the budget. He concluded with the Capital Budget Summary.

b. Consider Board Approval of 2020-2021 District Budget

With no questions from the Board, a motion was made by Director Flores; the Board of Directors approved the 2020-2021 District Budget by 5 affirmative votes, Tobias, Bettencourt, Flores, Tonascia and Williams.

6. Consider Authorizing the District Manager to Execute a Contract Amendment with Todd Groundwater for Installation of Monitoring Wells and Feasibility Level Planning and Design of a Managed Aquifer Recharge Program (NTE \$1,559,664)

Mr. Cattaneo stated the District submitted a grant application approximately 8 months ago for the State of California Round 3 and was successful. There are 2 components to this grant; additional monitoring wells and using CVP water to better manage the aquifer recharge. The grant was for \$1.2 million, with \$390,000 matching funds from the District. Discussion ensued about where the monitoring wells would be installed. The agenda item is amending the original contract with Todd Groundwater to include these additional tasks.

With a motion by Director Tonascia and seconded by Director Flores, the Board of Directors authorized the District Manager to Execute a Contract Amendment with Todd Groundwater for Installation of Monitoring Wells and Feasibility Level Planning and Design of a Managed Aquifer Recharge Program (NTE \$1,559,664) by 5 affirmative votes, Tobias, Bettencourt, Flores, Tonascia and Williams.

7. Consider Fairview Road Water System Letter Requesting Dissolution of Zone 104

Mr. Cattaneo stated the District has been working on this issue for approximately 1 year. The homeowners are requesting the District consider returning the system to them from the District.

Mr. Liem stated in order to do this, there is a procedure the District must follow from the District Code. The first step would be the Board would approve a resolution that states the intention to dissolve the zone and set a Public Hearing to determine cause to dissolve the zone. Mr. Liem added, at the Public Hearing the Board would need to approve a second resolution to determine cause to dissolve the zone. The 4 facts the Board would need to determine are: 1) the Zone has no indebtedness; 2) the Zone has no service; 3) the Zone has no property and 4) the Zone provides no useful purpose to continue. Mr. Liem, in speaking with Mr. Cattaneo, stated while the District is currently providing services, if the Board decides to dissolve the zone, service will be terminated.

a. Consider adoption of a Resolution of Intention to Dissolve Zone 104 and setting a time for a Public Hearing per Gov't Code 60667

With no questions from the Board, a motion was made by Director Flores and seconded by Director Williams, Resolution #2020-07 *A Resolution of the Board of Directors of the San Benito County Water District's Intention to Dissolve Zone 104 and setting a time for a Public Hearing per Gov't Code 60667* was approved by 5 affirmative votes, Tobias, Bettencourt, Flores, Tonascia and Williams.

8. Consider Awarding a Contract to Nexgen Utility Management, and Alan Zeisbrich for Implementation of an Asset Management System for West Hills, Lessalt, and San Felipe Distribution System and Authorizes District Manager to sign contract (NTE \$79,088-NEXGEN and NTE \$15,000-Alan Zeisbrich)

Mr. Cattaneo stated this item is for asset management which will help the District manage now and into the future. It will memorialize programs in place which will help continuity as staff changes over time. It will be a place to store all of our maintenance manuals. Also, Mr. Cattaneo stated although the District is not maintaining the two treatment plants, this system will be a way for the District to ensure the operator of the plants are following all the proper guidelines. This will be a cloud-based plan and the cost shown includes 1 year of the annual maintenance fee of \$15,000. The other part of the cost is for Alan Zeisbrich who has worked with NEXGEN before and will set up the asset registers for all assets.

President Tobias asked if they will provide technical support and Mr. Cattaneo stated yes they will.

Director Tonascia expressed his concern if NEXGEN were to go out of business. Mr. Cattaneo stated the information would be transferred to the District through the ELC server. Director Tonascia suggested the District also maintain hard copies. Mr. Cattaneo stated it will be backed up through ELC.

Director Flores asked if this is simply the software or does it include a reserve study. Mrs. Singleton stated no, but eventually the District will have the lifecycle of its assets so that will help validate your reserves.

Mr. Cattaneo stated the District can relay this information to Sunnyslope County Water District (SSCWD), who runs the two treatment plants; SSCWD can be instructed on how to use the asset management plan.

With no further questions, a motion was made by Director Williams and seconded by Director Flores; the Board of Directors approved Awarding a Contract to Nexgen Utility Management, and Alan Zeisbrich for Implementation of an Asset Management System for West Hills, Lessalt, and San Felipe Distribution System and Authorizes District Manager to sign contract (NTE \$79,088-NEXGEN and NTE \$15,000-Alan Zeisbrich) by 5 affirmative votes, Tobias, Bettencourt, Flores, Tonascia and Williams.

9. Committee/Agency Representative Reports:

a) San Luis Delta Mendota Water Authority (Tonascia/Cattaneo)

As per Mr. Cattaneo, he will cover this under his manager's report.

b) Finance Committee (Tonascia/Williams)

As per Directors Tonascia and Williams, all items have been covered.

10. District Manager/Engineer's Report:

a) Reach 1 Operations

Mr. Cattaneo reported the pump rebuild project timing is being evaluated dependent on pump conditions. Mr. Cattaneo also reported there have been a lot of staff changes at Santa Clara Valley Water District.

b) Zone 3 Operations

Mr. Cattaneo reported District staff continues to release water from Hernandez Reservoir and he anticipates it being empty in approximately 2 weeks. Staff is also releasing about 10 AF/day from Paicines Canal into Tres Pinos Creek and about 30 AF into San Benito River and this is nearly reaching the Treatment Plant.

c) Zone 6 Operations

Mr. Cattaneo reported that Shasta is not in a critical year, so the District can get water from the Exchange Contractors as well as from Yuba, for an approximate total of 3800 AF. Jeff Micko continues to work with District staff on a cost of water model which will show actual water costs based on the amount of water.

d) San Luis Delta Mendota Authority Activities

Mr. Cattaneo reported the District is a participant in the North of Delta Water Transfers, although we did not use it the last few years. Because the District is a member, there is a lawsuit over CEQA compliance related to these transfers.

e) Sustainable Groundwater Management Act (SGMA) Update

Mr. Cattaneo reported the contract for Todd Groundwater that was approved earlier, is another step in the process. He also reported the need for a face to face meeting with the TAC, so the water quality and minimum thresholds for groundwater levels can be finalized.

f) Pacheco Reservoir Expansion Project

Mr. Cattaneo reported he participated in two all day meetings on the PREP. Discussion included reservoir alternatives, including the type and

size of the dam. Also, there is a need to amend the original MOU between the District, SCVWD and Pacheco Pass Water District due to some dates, issuances of contract and financing alternatives, but the document is not yet ready for the Board as it is incomplete.

g) Water Infrastructure Improvements for the Nation Act (WIIN) Contract Conversion

Mr. Cattaneo reported he, Mrs. Singleton and Scott Morris (Kronick, Moscovitz, Tiedemann & Girard) had a conference call regarding the WIIN act. The District is moving forward with the process and the intent is to have a draft early next week. One of the biggest issues, reported Mr. Cattaneo, is that paying off the in-basin amount will not rid the District of filing the Reclamation Reform Act (RRA) forms.

- 11. CLOSED SESSION: Conference with Labor Negotiator Pursuant to Government Code Section 54957.6**
Agency Negotiator: District Manager
Title: Office and Field Employees

- 12. CLOSED SESSION: Conference with Labor Negotiator Pursuant to Government Code Section 54957.6**
Agency Negotiator: District Manager
Unrepresented Employees: Management/Confidential/Professional Employees
(The Board convened in Closed Session at 6:26 p.m.)

- 13. OPEN SESSION: Report action if any**
(The Board reconvened in Open Session at 7:04 p.m.)

President Tobias stated on agenda items #11 and #12, there was no action taken.

14. Adjournment

With no further business to discuss, the meeting was adjourned at 7:05 p.m.

Approved at the June 24, 2020 Board meeting and signed by the presiding board member.

/s/ Joseph Tonascia
Joseph Tonascia, Director

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