

July 29, 2020  
Regular Meeting  
5:08 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 , July 29, 2020 at 5:08 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 at the District; Vice President Frank Bettencourt and Supervising Accountant Natalie Sullivan participated via conference call. Also present at the District were District Manager/Engineer Jeff Cattaneo, District Counsel Jeremy T. Liem, Assistant Manager Sara Singleton, Deputy District Engineer Garrett Haertel and Board Clerk/Office Specialist III Barbara Mauro.

### **CALL TO ORDER**

President Tobias called the meeting to order at 5:08 p.m.

- a. Pledge of Allegiance to the Flag**  
President Tobias led the Pledge of Allegiance.
- b. Roll Call**  
Mrs. Mauro called roll. President Tobias and Directors Flores, Tonascia and Williams were in attendance at the District; Vice President Bettencourt was participating via a conference line.
- c. 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.**
- d. Approval of Agenda**  
Mr. Cattaneo asked that item #9(e) be moved up to the first number under the regular agenda, making that #6, leaving #7 as is and moving #6 to #8 and renumbering from there. Noting the proposed change, a motion was made by Director Tonascia and seconded by Director Williams, the Board of Directors approved the Agenda by 5 affirmative votes; Tobias, Bettencourt, Flores, Tonascia and Williams.
- e. 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:**  
**June 24, 2020 Regular Meeting**  
**July 13, 2020 Special Meeting**  
**July 20, 2020 Special Meeting**

2. **Allowance of Claims**
3. **Acknowledgement of Paid Claims prior to the July Board Meeting**
4. **Acceptance of Quarterly Investment Report, June 30, 2020**
5. **Consider Resolution Amending The Standard Model Conflict of Interest Code For The San Benito County Water District**

With a motion by Director Williams and a second by Director Flores, the Consent Agenda including Resolution #2020-11, *A Resolution of the Board of Directors of the San Benito County Water District Amending the Standard Model Conflict of Interest Code for the San Benito County Water District* were approved by 5 affirmative votes, Tobias, Bettencourt, Flores, Tonascia and Williams.

*(District Counsel Jeremy Liem arrived at 5:12 p.m.)*

### **REGULAR AGENDA:**

6. **Sustainable Groundwater Management Act (SGMA) Update**

Iris Priestaf, from Todd Groundwater, participating via GoToMeeting, gave the Board an update on SGMA. She used a revised version of the PowerPoint given to the SGMA Technical Advisory Committee (TAC) on July 22, 2020. Items discussed were groundwater levels and storage, minimum thresholds, our storage versus drought and future baselines.

7. **Discuss District participation in the City of San Juan Bautista Water Supply Improvements**

*(Participating via the conference line, City of San Juan Bautista's Council Member Leslie Jordan and Karl Bjarke, a consultant hired by the City of San Juan Bautista)*

Mr. Cattaneo stated the District has been working with the City of San Juan Bautista (COSJB) for about 15 years regarding their water issue. The COSJB has tried to get funding for a treatment plant to treat San Felipe water, which never came to fruition, and also tried a pellet softening plant, which was unsuccessful. Recently, the District met with the COSJB representatives and discussed some possible solutions such as: an additional well at Betabel Road; treating the existing wells; connection to the West Hills Water Treatment Plant. Mr. Cattaneo stated the connection to West Hills is the preferred choice. Mr. Cattaneo is looking for direction from the Board whether they wish for staff to continue to work with them.

Director Tonascia stated it would be good if the District can provide help to them. Mr. Cattaneo added this would be a good project for the COSJB but also benefit the COSJB regarding future grant funding if the District participates.

President Tobias asked if the District would be the lead if the COSJB go forward with the connection to the treatment plant. Mr. Cattaneo stated the District would need to do some work at the treatment plant and make the connection at Union Road, but the COSJB would have to pipe from Union Road to connect to the COSJB.

President Tobias asked what the process would be. Mr. Cattaneo stated staff has provided the consultant, Mr. Bjarke, with information and then he will meet with the City Council.

Director Flores asked if the District would need an M.O.U. Mr. Cattaneo stated if the District has to expend funds beyond staff time, yes, an M.O.U. between the District and the COSJB would be the next step.

President Tobias asked about a timeline. Mr. Cattaneo deferred to Mr. Bjarke.

Mr. Bjarke stated he would need approximately 2 weeks to evaluate the options, make a selection and then present that selection to the City Council.

Discussion ensued about the pursuit of grants and Mr. Bjarke reported they are looking into the USDA Department of Agriculture which offers grants and low interest loans. The COSJB is also looking for assistance from the District, per Mr. Bjarke.

The Board of Directors agreed to have the District staff continue to work with the COSJB on their water issues.

**8. Public Hearing Regarding the Dissolution of Zone 104 which is the zone of benefit for the Fairview Road Water System and Terminating the Project therein**

**a. Proof of Publication**

Mrs. Mauro verified the proof of publication.

**b. Historical Review of Zone 104 and discussion regarding the need to Dissolve the Zone and Terminate the Project therein**

Mr. Cattaneo gave a brief history of the Fairview Road Water System (FRWS). FRWS was similar to Harmony Hills; they were out of compliance with the State and operating the system on their own, but they needed help. During the time the District has run the system, a new well has been drilled but water quality issues continued. The homeowners were unhappy with the rising costs and asked to have the system returned to them. If approved by the Board, the District would Quit Claim the system in its entirety to the original homeowners. The homeowners will likely separate the system into 2, but that will be their choice.

**c. Questions of Directors**

Director Tonascia noted the letter from the homeowners was not signed by Mr. Espinoza. Mr. Cattaneo stated he has passed away, but the majority of the homeowners signed, which is what is needed.

**d. Open Public Hearing**

President Tobias opened the Public Hearing; no one chose to speak.

**e. Close Public Hearing or continue to a later date**

President Tobias closed the Public Hearing.

**f. Consider Approval of Resolution Terminating the Project in Zone 104 and Dissolving the Zone, Fairview Road Water System**

With a motion by Director Tonascia and a second by Vice President Bettencourt, Resolution #2020-12, *A Resolution of the Board of Directors of the San Benito County Water District Terminating the Project in Zone 104 and Dissolving the Zone, Fairview Road Water System*, was approved by the Board of Directors by 5 affirmative votes, Tobias, Bettencourt, Flores, Tonascia and Williams.

**g. Authorize the District Manager to sign all of the necessary documents to Quit Claim Zone 104 back to the property owners**

With a motion by Director Flores and a second by Director Williams, the Board of Directors authorized the District Manager to sign all of the necessary documents to Quit Claim Zone 104 back to the property owners 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) Zone 6 Water Supply Committee (Tobias/Flores)**

As per Mr. Cattaneo, he will cover this under his Manager's Report.

**c) City of San Juan Bautista Water Infrastructure Ad Hoc Committee (Flores/Tonascia)**

As per Directors Flores and Tonascia, this was covered earlier in the meeting.

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

**a) Reach 1 Operations**

As per Mr. Cattaneo, Santa Clara Valley Water District (SCVWD) had to perform some maintenance work on the Pacheco Pumping Plant but encountered difficulties when they restarted it, which caused a delay. Then, two days ago, there was a fire near the pumping plant and PG&E had to shut down the power to the plant. As of today, the system is back on-line but not fully loaded. Staff will open bifurcation tomorrow. These interruptions did cause pressure issues with Sub 6 and the two treatment plants.

**b) Zone 3 Operations**

As per Mr. Cattaneo, District staff is still releasing water from Paicines Reservoir into Tres Pinos Creek.

**c) Zone 6 Operations**

As per Mr. Cattaneo, because the District was working solely off of San Justo Reservoir, San Justo Reservoir was drawn down and the District will now increase the storage. Also, Mr. Cattaneo reported the District experienced some issues with the recycled water project. He is suggesting a connection to the San Felipe system as a back-up. There was a pressure issue for several hours, but the project was never out of water.

**d) San Luis Delta Mendota Authority Activities**

As per Mr. Cattaneo there is an item from the last authority meeting, which will be discussed in closed session.

**e) Pacheco Reservoir Expansion Project**

As per Mr. Cattaneo, staff is waiting for funding options from SCVWD.

- f) **Water Infrastructure Improvements for the Nation Act (WIIN) Contract Conversion**  
As per Mrs. Singleton; the District is waiting for the Bureau. She expects to hear back from them early next week.
11. **CLOSED SESSION: Conference with Labor Negotiator Pursuant to Government Code Section 54957.6**  
**Agency Designated Representative: Jeff Cattaneo, District Manager**  
**Employee Organization: SEIU 521 Office and Field Employees Unit**
12. **CLOSED SESSION: Conference with Labor Negotiator Pursuant to Government Code Section 54957.6**  
**Agency Designated Representative: Jeff, Cattaneo, District Manager**  
**Unrepresented Employees: Management/Confidential/Professional Employees: Accountant, Assistant Engineer, Associate Engineer, Deputy District Engineer, Human Resources/Administrative Assistant, Operations and Maintenance Manager, Senior Engineer, Supervising Accountant, Water Conservation Program Manager**
13. **CLOSED SESSION: Conference with Legal Counsel—Anticipated Litigation Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One potential case.**  
*(The Board convened in Closed Session at 6:11 p.m.)*
14. **OPEN SESSION:**  
*(Director Bettencourt left the meeting at the conclusion of the Closed Session)*  
*(The Board reconvened in Open Session at 6:58 p.m.)*
- a. **Report action, if any, on Item #11**  
As per President Tobias, no action was taken on this item.
- b. **Report action, if any, on Item #12**
- i. **Oral summary of recommendation for a final action on salary and compensation for local agency executives pursuant to Government Code Section 54953(c)(3), and Approve Resolution 2020-13 for Management, Confidential and Professional Compensation**
- President Tobias read the following into the record:
- Government Code section 54953(c)(3) requires that, before taking final action, the Board of Directors must orally report a summary of the recommendation regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executives. Therefore, I am reporting the following summary regarding such items appearing on the agenda.
- Item # 12, pertains to final action by the Board of Directors regarding the recommendation to approve the following changes to compensation for the Management/Confidential/Professional Employee group, which includes the Deputy District Engineer, the Operations and Maintenance Manager, the

Supervising Accountant, and Water Conservation Program Manager who constitute local agency executives. The changes to compensation are as follows:

1. SALARY: Effective the first day of the pay period in which the Board adopts the resolution, employees will be eligible for a 2% salary increase.

Effective July 12, 2021 and July 11, 2022, employees shall be eligible for a salary increase of between 0% and 3%, contingent upon the United States Bureau of Reclamation water supply allocation for Central Valley Project agricultural contractors as of May 15<sup>th</sup> of each year.

The nominal value of the combined cost of living increases for Fiscal Year 2020/21, Fiscal Year 2021/22, and Fiscal Year 2022/23 shall not exceed a total of 8%.

2. FURLOUGHS: For Fiscal Year 2021/22, and Fiscal Year 2022/23, in the event the US Bureau of Reclamation water supply allocation for Central Valley Project agricultural contractors is less than twenty-five percent (25%) as of May 15<sup>th</sup> of each year, at District Board discretion, the District shall schedule between 6 and 10 unpaid furlough days per fiscal year. In the event of furloughs, employees may have the option of using accrued vacation or compensatory time off concurrently with the unpaid furlough time off.

In addition, the District reserves the right to close District offices for four (4) non-holiday work days approximately between December 25<sup>th</sup> and January 1<sup>st</sup>, with exact dates of the closure to be determined by District management. Office closure days will be unpaid; however, employees may use accrued vacation or compensatory time off concurrently with the non-closure days on which they would otherwise be scheduled to work.

FLSA exempt employees in the classifications of Deputy District Engineer, Associate/Senior Engineer, Operations & Maintenance Manager, Supervising Accountant, and Water Conservation Program Manager will be converted to non-exempt status in the workweek(s) containing a unpaid furlough.

3. MANAGEMENT LEAVE: FLSA exempt employees in the classifications of Deputy District Engineer, Operations & Maintenance Manager, Supervising Accountant, and Water Conservation Program Manager, who are not eligible to earn overtime, shall receive 80 hours of management leave per calendar year, provided as a lump sum on January 1<sup>st</sup> of each year.

Employees are required to use a minimum of 40 hours of management leave per year. Any unused management leave at the end of the calendar year shall be either automatically cashed out at the employee's base rate of pay, or converted to a contribution to the employee's 457 deferred compensation account at the employee's base rate of pay, subject to the rules, regulations and limitations governing deferred compensation. Any unused management leave at the time of

separation from employment will be cashed out at the employee's base rate of pay, plus any longevity pay and incentive pay applicable at the time of separation.

4. **CAFETERIA PLAN CONTRIBUTION:** For employees hired on or after July 1, 2020, in addition to the minimum employer contribution to PEMHCA required by CalPERS, on behalf of each eligible employee enrolled in medical insurance offered through the District, the District will provide a monthly contribution in the amount of up to \$1,385 for purchase of health and welfare benefits. Any portion of the District-paid cafeteria plan allowance that is not used for the purchase of health and welfare benefits will be paid to the employee as taxable income.

Tier two employees who opt out of medical insurance offered through the District are not eligible for cash in lieu.

5. **SICK LEAVE:** For employees hired on or after July 1, 2020, sick leave accrual will be capped at one thousand forty (1,040) hours. There is not sick leave accrual cap for current employees.

With a motion by Director Tonascia and a second by Director Flores, Resolution #2020-12, *A Resolution of the Board of Directors of the San Benito County Water District for Salary and Compensation for the Management/Confidential/Professional Employees* was approved by the Board of Directors by 4 affirmative votes, Tobias, Flores, Tonascia and Williams and 1 absent vote, Bettencourt.

**c. Report action, if any, on Item #13**

President Tobias reported the Board unanimously agreed in Closed Session to direct District Counsel to submit a letter on the District's behalf to the Supreme Court pertaining to water rights.

**15. Adjournment**

With no further business to discuss, the meeting was adjourned at 7:08 p.m.

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The minutes were approved at the August 26, 2020 Board meeting and signed by the presiding board member.

/s/John Tobias  
John Tobias, President

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