

October 28, 2020  
Regular Meeting  
5:00 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, October 28, 2020 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President John Tobias, Vice President Frank Bettencourt and Directors Sonny Flores, Joe Tonascia and Doug Williams; who all were present at the District. 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, Operations and Maintenance Supervisor Michael Craig and Board Clerk/Office Specialist III Barbara Mauro. Participating via conference phone were: Don Ridenhour, Scott Morris and Doug Pryor.

### **CALL TO ORDER**

- a. Pledge of Allegiance to the Flag**  
President Tobias led the Pledge of Allegiance.
- b. Roll Call**  
Mrs. Mauro called roll; President Tobias, Vice President Bettencourt and Directors Flores, Tonascia and Williams were all present.
- 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**  
With a motion by Director Tonascia and a second by Director Flores; the Agenda was approved by the Board of Directors 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: September 30, 2020 Regular Meeting**
- 2. Allowance of Claims**
- 3. Acknowledgement of Paid Claims prior to the October Board Meeting**
- 4. Acceptance of Quarterly Investment Report, Ending September 30, 2020**

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

**REGULAR AGENDA:**

**5. Update of Other Post-Employment Benefits (OPEB) Reports**

Mrs. Singleton stated Doug Pryor, of Vice President of Bartel Associates, LLC the firm which prepared the actuarial study of the OPEB benefits was on the conference line to answer any questions.

**a. Report on OPEB Actuarial Accrued Liability (AAL)**

Mrs. Singleton reported there is a reduction in the liability of approximately \$290,000 that is associated with the funding the using the CERBT program to fund the OPEB

**b. Report on California Employers' Retiree Benefit Trust Program (CERBT) funding strategy**

Mrs. Singleton reported the Board approved funding the Trust Program in February 2020 just prior to the beginning of the COVID-19 pandemic. Because of market volatility , the District waited to make the investment in the trust, and has been updating the Board. Staff plans to move forward in November with the funding of the CERBT trust on a dollar cost averaging basis over the course of the next year.

**c. Report on Documentation for District Manager OPEB Benefit pursuant to Government Code section 7507**

Mrs. Singleton reviewed the information on this item for the Board. The Board had previously approved an OPEB additional retiree benefit of \$500 per month for the District Manager. Government code requires an actuarial analysis of these changes. Bartel Associates prepared this analysis for the Board's review and the Doug Pryor was available to answer any questions from the Board.

There were no questions from the Board.

**6. Consider Adoption of Resolution 2020-17, Authorizing the filing of a Notice of Exemption from the California Environmental Quality Act for Approval of and Authorization to Execute the Amended and Restated Contract between the United States and San Benito County Water District for Water Service, Facilities Repayment, and for Operation and Maintenance of Certain Works of the San Felipe Division and Authorize District Counsel to file a validation action for the Repayment Contract**

Mr. Cattaneo stated the negotiation process for this contract took about two years and is based on the WIIN (Water Infrastructure Improvements for the Nation) Act. Mrs. Singleton worked closely with Scott Morris of Kronick, Moskovitz, Tiedemann and Girard. The final draft is before the Board tonight. The action for the Board would be to adopt the resolution, which will authorize the Notice of Exemption Filing for CEQA (California Environmental Quality Act) and the subsequent action will be Friday, the Bureau will post the contract on the Federal Register and start the public comment period of 60 days.

Mrs. Singleton added the District must also go through the validation process, which is required to go through the courts, stating the parties involved are authorized to enter into such a contract.

Mr. Morris further explained it is required because of the agricultural water service and the validation is required by the California Civil Code. He added the District will have to publish a summons. Mr. Morris stated the District will have to publish a notice in the newspapers for three weeks which allows the opportunity to challenge the validity of the parties to enter into the contract. This is the standard process and practice. This process can take sixty to ninety days in court. Once both are done, the District can go forward with the contract.

Mr. Cattaneo stated notices will be mailed to all direct users of the San Felipe water. The users will receive a copy of the summons and a cover letter.

Director Flores asked if the District can add any additional information.

Mr. Cattaneo stated the District must be cautious in their wording of the cover letter.

Mr. Morris added the District can lay out the process but cannot tell the users what to do. It must simply be a factual letter and the District will likely receive telephone calls in response to the letter and summons.

Mrs. Singleton stated Mr. Morris, Bill Chisum (also from Kronick, Moscovitz, Tiedemann and Girard) and Mr. Liem will lead a coordinated effort on this matter.

With a motion by Director Flores and a second by Director Williams, Resolution #2020-17, *A Resolution of the Board of Directors of the San Benito County Water District Authorizing the filing of a Notice of Exemption from the California Environmental Quality Act for the Approval of and Authorization to Execute the Amended and Restated Contract between the United States and San Benito County Water District for Water Service, Facilities Repayment, and for Operation and Maintenance of Certain Works of the San Felipe Division and Authorize District Counsel to file a validation action for the Repayment Contract* was approved by the Board of Directors by 5 affirmative votes; Tobias, Bettencourt, Flores, Tonascia and Williams.

**7. Consider Adoption of Resolution 2020-18, Preliminary Intention to Proceed with Refinancing of CalPERS and WIIN Act Obligations, and Appointing a Financial Advisor and Bond Counsel in connection therewith**

Mr. Cattaneo stated this agenda item is connected to the agenda item #6. Part of the WIIN Act conversion, is that the District will need to pay off the in-basin debt which is approximately \$3.1 million. There are 3 options to consider for this payoff. Option 1 is the offer from the Bureau to make 4 payments over 3 years with an interest rate between 1.25% and 1.5%. Option 2 would be to pay it out of the District's reserves. Option 3 would be to issue bonds through a pooled bond issuance. Also, the District has an unfunded liability for PERS of \$2.6 million. Staff is recommending the bond issuance to fund both the CalPers liability and the WIIN Act capital repayment. Because there are several capital projects coming up, the undesignated reserves will be needed for these projects, so staff is recommending the bond issuance.

Mrs. Singleton added the funding for the payoff for the WIIN Contract conversion will be tax exempt.

Mr. Cattaneo further added, approval of the resolution does not obligate the District, it is merely to begin negotiations on these 2 items.

With a motion by Director Flores and a second by Director Tonascia, Resolution #2020-18, *A Resolution of the Board of Directors of the San Benito Water District Preliminary Intention to Proceed with Refinancing of CalPERS and WIIN Act Obligations and Appointing a Financial Advisor and Bond Counsel in connection therewith* was approved by the Board of Directors by 5 affirmative votes; Tobias, Bettencourt, Flores, Tonascia and Williams.

**8. Discuss and Consider Authorizing District Manager Execute Amendment 16 with HDR to Support Alternative Long-Term Water Supply Option Evaluations (NTE \$83,730)**

Mr. Cattaneo stated this is one of the capital projects he referred to earlier. The District is doing their due diligence to review alternatives to the Pacheco Reservoir Expansion Project. The District is looking at lower cost water storage alternatives and the feasibility to build a surface water storage facility to either percolate or direct injection in wet years to maximize District water for dry year water supply.

With a motion by Director Tonascia and a second by Vice President Bettencourt, the Board of Directors authorized the District Manager to Execute Amendment 16 with HDR to Support Alternative Long-Term Water Supply Option Evaluations (NTE \$83,730) by 5 affirmative votes; Tobias, Bettencourt, Flores, Tonascia and Williams.

**9. Discuss and Consider Awarding a Contract to MCC Controls LLC DBA Primex for the Scada Programable Logic Controller Upgrades and Authorizing the District Manager to Execute all Documents Necessary (NTE \$30,380)**

Mr. Cattaneo stated our SCADA System is more than 33 years old and Texas Instruments lo long support the equipment. Staff is recommending upgrading the system to the new technology. There are eighteen RTU's that need replacing, so this contract would be to replace one of the simpler locations and in doing so, give Primex the insight on how to proceed with the remaining seventeen.

With a motion by Vice President Bettencourt and a second by Director Williams, the Board of Directors awarded a contract to MCC Controls LLC DBA Primex for the SCADA Programable Logic Controller Upgrades and authorized the District Manager to execute all documents necessary (NTE \$30,380) with 5 affirmative votes; Tobias, Bettencourt, Flores, Tonascia and Williams.

**10. Discuss and Consider Approval of Drilling Contract with Maggiora Bros. Drilling Inc. for the North County Groundwater Supply - Monitoring Well Installation Study (NTE \$ 133,740)**

Mr. Haertel stated this is related to the Memorandum of Understanding (MOU) between the District, the City of Hollister and Sunnyslope County Water District for the purpose of exploring the water supply in the north area. The item is to drill a monitoring well

along California Highway 156 and San Felipe Road. The District solicited bids and received 5. The bids were reviewed by the District's Engineering Department as well as Todd Groundwater's staff, as outlined in the memo accompanying this item. The low bidder, who met all the qualifications, was Maggiora Bros. Drilling. Once approved by the Board, Mr. Haertel stated the District will issue a Notice to Proceed to the driller.

Director Tonascia asked if it will be a 4" monitoring well; Mr. Haertel stated it will be 6".

Mr. Cattaneo added this will stay as a monitoring well for the District.

With no further questions, Mr. Cattaneo asked if the director making the motion would include adding authorizing the District Manager to execute all necessary documents.

With a motion by Director Tonascia, adding authorizing the District Manager execute all necessary documents, and seconded by Vice President Bettencourt, the Board of Directors approved of a Drilling Contract with Maggiora Bros. Drilling Inc. for the North County Groundwater Supply – Monitoring Well Installation Study (NTE \$133,740) and authorized the District Manager to execute all necessary documents, by 5 affirmative votes; Tobias, Bettencourt, Flores, Tonascia and Williams.

**11. Consider Approval of new position of Finance Manager in Management, Confidential and Professional Group and Authorize District Manager to fill position**

Mr. Cattaneo stated the District's operations have become more complicated and staff was instructed by the Personnel Committee to structure the departments to manage the complexities of current and future projects. The District has found a need for a Finance Manager to oversee these areas. The expectation would be to hire a full charge finance manager. The District would post internally first and this position would be filled by the District Manager.

With a motion by Director Williams and a second by Vice President Bettencourt, the Board of Directors approved of a new position of Finance Manager in Management, Confidential and Professional Group and authorized the District Manager to fill the position by 5 affirmative votes; Tobias, Bettencourt, Flores, Tonascia and Williams.

**12. Consider setting the September, November and December Board Meeting dates for 2021**

Mrs. Mauro reviewed the calendar for September, November and December of 2021 and explained staff's recommendation for board meetings in those months.

With a motion by Director Tonascia, setting the regular board meetings for September, November and December 2021 for September 22, 2021, November 17, 2021 and December 15, 2021; this was seconded by Director Flores. The Board of Directors approved the dates for the September, November and December regular board meetings by 5 affirmative votes; Tobias, Bettencourt, Flores, Tonascia and Williams.

**13. Consider Authorizing the District Manager (or his Designee) and Director Attendance at the 2020 ACWA Fall Virtual Conference, December 2-3, 2020**

The Board discussed the virtual conference and President Tobias directed the board to contact Mrs. Mauro if they were interested in registering for this conference.

- 14. Committee/Agency Representative Reports:**
- a) **San Luis Delta Mendota Water Authority (Tonascia/Cattaneo)**  
As per Mr. Cattaneo, he will cover this under his report.
  - b) **Water Resources Association (Flores/Bettencourt)**  
As per Director Flores, regular business was discussed.
  - c) **Finance Committee (Tonascia/Williams)**  
As per Director Tonascia, this has been covered.
  - d) **Personnel Committee (Tobias/Tonascia)**  
As per Directors Tobias and Tonascia, this has been covered.
  - e) **Zone 6 Water Supply Committee (Tobias/Flores)**  
As per Directors Tobias and Flores, this has been covered.
  - f) **Monthly Operations and Maintenance Report (Craig)**  
Mr. Craig showed a PowerPoint of photos from the recent work District staff performed at Hernandez Reservoir's Spillway.
- 15. District Manager/Engineer's Report:**
- a) **Reach 1 Operations**  
Mr. Cattaneo stated he had nothing to report at this time.
  - b) **Zone 3 Operations**  
Mr. Cattaneo reported staff is cleaning out the sediment in the Paicines Canal.
  - c) **Zone 6 Operations**  
Mr. Cattaneo reported the District is moving forward with the Asset Management Plan. The kick-off will be over the next two weeks and there are several training classes scheduled. All maintenance work will be done through work orders. Mr. Craig will assign the work and then evaluate what was done. Mr. Cattaneo stated this will give the District ongoing tracking of its assets.
  - d) **San Luis Delta Mendota Authority Activities**  
Mr. Cattaneo reported SLDMA is refunding bond funds for the DHCCP, but we paid our portion so it's not an issue. Also discussed was the Jones Pumping Plant Rewind Project. He stated 2 pumps are complete with 4 more to go. Of the 4 remaining, the Bureau will finance the cost of 2 of them. The remaining 2, for a cost of approximately \$12 million, will be spread between the authority members. Discussion continues on the best way to fund this amount.
  - e) **Sustainable Groundwater Management Act (SGMA) Update**
    - i. **Sustainability Criteria Chapter for the Groundwater Sustainability Plan**—The Sustainability Criteria Chapter was given to the Board. The next workshop will be for our Board and elected officials to receive an update on SGMA. It will be December 9<sup>th</sup>, 4-6 p.m., via Zoom.

- f) **Pacheco Reservoir Expansion Project**  
Mr. Cattaneo reported Santa Clara Valley Water District continues to pursue funding avenues and whether it is possible to use unused funds from the Prop 1 Grant from project that will not move forward. SCVWD continues to work on WIIN Act and WIFIA Funds for the project.
- g) **Water Infrastructure Improvements for the Nation Act (WIIN) Contract Conversion**  
Mr. Cattaneo reported this was covered earlier.
- h) **City of San Juan Bautista Water Infrastructure**  
Mr. Cattaneo reported a meeting was held yesterday with the City of San Juan Bautista's City Manager and two of their council members. Mr Cattaneo would like to hold a meeting with the City and our Ad Hoc Committee, possibly on November 19<sup>th</sup>. The District and the City of San Juan Bautista would have an agreement similar to the Water Supply and Treatment Agreement the District has with the City of Hollister and Sunnyslope County Water District. This project would need a connection to the West Hills Treatment Plant. Mr. Cattaneo would like to discuss a timetable, evaluate options and get a commitment from San Juan Bautista.

President Tobias asked who would do the design work. Mr. Cattaneo stated it would likely be HDR, as they did the original design work for the plant. The most complicated part would be the pipeline to the plant. Also, negotiations would be needed for easements for about a mile prior to Mission Vineyard.

**16. CLOSED SESSION: Conference with legal counsel—  
Existing litigation**

- a) **Government Code 54956.9(a)**  
**San Benito County Water District v. Randy McAlpine**  
**(CL-13-00437)**
- b) **Government Code 54956.9(a)**  
**Randy McAlpine v. San Benito County Water District**  
**(CU-17-00050)**

**17. CLOSED SESSION:  
Public Employee Performance Evaluation  
Title: District Manager/Engineer  
Authority: California Government Code Section 54957**

**18. CLOSED SESSION:  
Conference with Labor Negotiator  
Pursuant to Government Code Section 54957 and 54957.6  
Agency Negotiator: Board of Directors  
Unrepresented Employees: District Manager, Assistant Manager**

*(The Board convened into Closed Session at 6:17 p.m.)*

**19. OPEN SESSION: Report action, if any on:**

*(The Board reconvened into Open Session at 7:39 p.m.)*

- a. 16(a)
- b. 16(b)
- c. 18

President Tobias reported no action was taken on any of the Closed Session items.

**20. Adjournment**

With no further business to discuss, the meeting was adjourned at 7:40 p.m.

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Minutes were approved at the November 18, 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