

April 27, 2022  
Regular Meeting  
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, April 27, 2022 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Joe Tonascia, Vice President Sonny Flores and Directors Andrew Shelton, John Tobias and Doug Williams. Also present were District Manager/Engineer Jeff Cattaneo, District Counsel Jeremy T. Liem, Assistant Manager Sara Singleton, Deputy District Engineer Garrett Haertel, Manager of Administration, Finance and Business Services Joyce Machado, Operations and Maintenance Supervisor Michael Craig and Board Clerk/Office Specialist III Barbara Mauro.

**CALL TO ORDER**

President Tonascia called the meeting to order at 5:00 p.m. and welcomed Joyce Machado to the District.

- a. **Pledge of Allegiance to the Flag**  
President Tonascia led the Pledge of Allegiance.
- b. **Roll Call**  
Mrs. Mauro called roll; all board members were 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 Williams and a second by Director Tobias, the Agenda was approved by the Board of Directors with 5 affirmative votes.
- 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: March 30, 2022 Regular Meeting**
- 2. **Allowance of Claims**
- 3. **Acknowledgement of Paid Claims prior to the April Board Meeting**
- 4. **Acceptance of Quarterly Investment Report, March 31, 2022**
- 5. **Recognizing Dave Meraz for 15 Years of Service, Certificate Issued**

With a motion by Director Tobias and a second by Director Shelton, the Consent Agenda was approved by the Board of Directors with 5 affirmative votes.

**REGULAR AGENDA:**

- 6. **FY 20-21 Annual Comprehensive Financial Report**  
Mrs. Singleton stated the District auditors will present the 20-21 Annual Comprehensive Financial Report.

**a. Presentation by McGilloway, Ray, Brown & Kaufman**

Matt Pressey, from McGilloway, Ray Brown & Kaufman, appeared via Zoom to offer their recap on the report. Using a PowerPoint Presentation, Mr. Pressey stated there were no material weaknesses and it was an unmodified opinion by the auditor. Also, he added the District received the award of excellence for the 2020 FYE financial statement by the Government Finance Officers Association (GFOA). Mr. Pressey reviewed the components of the Basic Financial Statements. Mr. Pressey pointed out the Net Position increased by \$8 million over the previous year. In reviewing the liabilities, he noted changes there as well due to the new bonds the District's prefunding of the CalPERS liability.

Mr. Pressey further reported the underlying assumptions in estimates were found to be appropriate. There were no difficulties or disagreements between the District and the auditor's and the timing was according to schedule.

Mr. Pressey stated the conclusions were: 1) no material weaknesses and 2) there was not a management letter. He concluded with reviewing the latest Governmental Accounting Standards Board (GASB) requirements.

President Tonascia thanked District staff for their efforts. Mrs. Singleton stated Mrs. Sullivan does most of the heavy lifting regarding the audit.

**b. Consider Acceptance and Authorize Distribution**

With a motion by Director Tobias and a second by Vice President Flores, the Board of Directors accepted the FY 20-21 Annual Comprehensive Financial Report and authorized staff to distribute with 5 affirmative votes.

**7. Public Hearing declaring an emergency water shortage condition for the 2022-2023 Water Year**

**a. Proof of Publication submitted for Notice of Public Hearing**

Mrs. Mauro verified the proof of publication.

**b. Presentation of conditions that caused the water shortage**

Mr. Cattaneo stated this is the third year of the drought. Last year, the District received a 0 allocation for Ag and a 25% of historical use for municipal and industrial. This year, both the Ag and M&I are both at 0. Mr. Cattaneo further reported that using the water shortage contingency plans in the Urban Water Management Plan, it is now necessary to move to Stage II which is a 25% mandatory reduction in water use. Mr. Cattaneo did confirm there was sufficient water for running the two water treatment plants.

Director Tobias asked if there were any outdoor landscape restrictions. Mr. Cattaneo stated residents are only allowed to water 2 times/week, no run-off should occur, and they should use a shut-off type of water device while washing their cars. Two items in the resolution are specific to the Water District; there is an interim water overuse charge of \$2000 per acre foot and customers cannot change water account types during this time.

**c. Open Public Hearing**

President Tonascia opened the public hearing.

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

As there were no public comments made, President Tonascia then closed the public hearing.

**e. Consider Resolution Declaring an Emergency Water Shortage Condition for the 2022-2023 Water Year and Implementing the District's Water Shortage Contingency Plans**

With a motion by Vice President Flores and a second by Director Williams; Resolution #2022-11, *A Resolution of the Board of Directors of the San Benito County Water District declaring an emergency water shortage condition for the 2022-2023 Water Year* was approved by the Board of Directors with 5 affirmative votes.

**8. Consider Resolution Restating the District's Investment Policy**

Mrs. Singleton stated the Government Code and District Policy call for the District to perform an annual review of its Investment Policy. District Counsel reviewed the policy and found no changes were necessary.

With a motion by Director Tobias and a second by Director Shelton, Resolution #2022-12, *A Resolution of the Board of Directors of the San Benito County Water District Restating the District's Investment Policy*, was approved by the Board of Directors with 5 affirmative votes.

**9. Consider Resolution Amending the Standard Model Conflict of Interest Code for the San Benito County Water District**

Mrs. Mauro stated this is a necessary action whenever the District makes any changes to those who must file 700 Forms, and this occurred when the Board approved the changes to the Organizational Chart.

With a motion by Director Shelton and a second by Vice President Flores, Resolution #2022-13, *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* was approved by the Board of Directors with 5 affirmative votes.

**10. Consider Resolution Authorizing District Manager to Execute a Property Purchase Agreement and Conveying to San Benito County a Temporary Construction Easement, a Retaining Wall Easement, and a Grant Deed for the San Benito County Union Bridge Project**

Mr. Liem reviewed this item for the Board. San Benito County, for the new Union Bridge Project, is requesting to purchase land under the new road and a permanent easement as well. Mr. Liem is recommending selling the property for the \$2500 offered by the County and to authorize the District Manager to sign all necessary documents.

Some discussion was had regarding whether the County could have taken it by imminent domain. Mr. Liem added if he had had a litigation concern the Board would have had to discuss it in closed session.

With a motion by Director Williams and a second by Vice President Flores, Resolution #2022-14 *A Resolution of the Board of Directors of the San Benito County Water District Authorizing the District Manager to Execute a Property Purchase Agreement and Conveying to San Benito County a Temporary Construction Easement, a Retaining Wall Easement, and a Grant Deed for the San Benito County Union Bridge Project* was approved by the Board of Directors with 5 affirmative votes.

**11. Discuss and Consider Approval of District Organizational Chart**

Mr. Cattaneo stated, since the organization chart was brought to the Board for approval, there are now two positions, not just one; there is an Assistant General Manager and a District Engineer.

With no questions from the Board, there was a motion by Director Shelton and a second by Director Williams, the Board of Directors approved of the District Organizational Chart with 5 affirmative votes.

**12. Staff Report—Presentation on Sharepoint/Trusted System**

Mrs. Singleton reviewed for the Board, how the District chose to go with Sharepoint and how staff is using ScanShare to get documents into Sharepoint. She briefly showed how to retrieve a document from Sharepoint. Eventually, the Board, once satisfied the District's data is saved into a trusted system, can consider amending the retention policy and allowing staff to destroy some paper copies of documents.

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

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

Mr. Cattaneo will cover this under his Manager's Report.

**b. Pajaro River Watershed Flood Prevention Authority (Flores/Shelton)**

As per Director Flores, he was unable to attend the meeting.

**c. Water Resources Association (Flores/Shelton)**

As per Director Flores, the association discussed the drought and also how to use some unused funds in the current budget as well as putting more into the budget for 2022-23 to reinstate the turf removal program. Mr. Cattaneo added how funds in the current budget could be re-allocated to the turf removal program and also gave some information on how the program will work.

**d. Urban Area Water and Wastewater Master Plan Governance Committee (Tobias/Flores)**

As per Mr. Cattaneo, Holly Kennedy from HDR, gave the Board a presentation at the last board meeting on water supply alternatives, which included the BF Sisk Dam Raise Project as well as the Aquifer Storage and Recovery (ASR) Project. The committee and staff agreed more information would be helpful, so there will be a Board Workshop on May 17<sup>th</sup> to further discuss the water supply alternatives.

**e. Finance Committee (Tonascia/Williams)**

As per Directors Tonascia and Williams, the committee received a presentation on the audit from McGilloway, Ray, Brown and Kaufman.

- f. **Groundwater Sustainability Agency Committee (Flores/Williams)**  
As per Mr. Cattaneo, staff and the committee reviewed the Groundwater Management Fee process and where the cutoff for accepting appeals should be. All agreed to clarify the process and modify the terms of the appeal in the resolution for next year

**14. Monthly Operations and Maintenance Report**

Mr. Craig reviewed the photos shown as part of his report. He further reported the operation and maintenance staff activities have included: shutting off meters, reading meters, performing regular maintenance, replacing about 80% of the air valves, exercising all of the lateral valves, and working with the engineering department on the upcoming pump station projects.

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

**a. Reach 1 Operations**

Mr. Cattaneo reported a meeting between the District and Santa Clara Valley Water District this Friday. He anticipates this being the final meeting regarding the pumps at the Pacheco Pumping Plant and whether they are rebuilt or replaced.

**b. Zone 3 Operations**

Mr. Cattaneo reported there is nothing new to report, as all of the water has been released and the only items staff is working on is general maintenance.

**c. Zone 6 Operations**

Mr. Cattaneo reported now that the Municipal and Industrial (M&I) allocation is also at 0, all small parcel and contract accounts have had their valves shut off. The only M&I customers that have water are at Stonegate who have 14-acre feet for all 56 connections for County Service Area (CSA) 31, for health and safety purposes. Originally, the District's M&I allocation was 25% of historical use, so Mr. Cattaneo directed staff to move all of that water from San Luis Reservoir to San Justo Reservoir. Also, Mr. Cattaneo reported the District has applied to the Bureau to appeal for health and safety purposes for our M&I allocation.

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

Mr. Cattaneo reported the Authority discussed voluntary agreements, which would allow reasonable allocations, so members wouldn't lose water in high flow years and use the gains during the low flow water years.

**e. City of San Juan Bautista Water Supply Plan**

Mr. Cattaneo reported the City of San Juan Bautista is waiting on their rate study. He further reported he has the draft agreement and will have legal review the draft and edit it as necessary. Basically, this will be amending the Water Supply and Treatment Agreement by adding the City of San Juan Bautista.

**16. Adjournment**

With no further business to discuss, the meeting was adjourned at 6:05 p.m.

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The minutes were approved at the May 25, 2022 Board meeting and signed by the presiding board member.

/s/ Joseph Tonascia  
Joseph Tonascia, President

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