

June 29, 2022
Regular Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, June 29, 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, Manager of Administration, Finance and Business Services Joyce Machado, District Engineer Glenn Micko, Deputy District Engineer Garrett Haertel, Finance Manager Natalie Sullivan, Operations and Maintenance Supervisor Michael Craig, Office Specialist III Cindy Paine, and Board Clerk/Office Specialist III Barbara Mauro.

CALL TO ORDER

The meeting was called to order by President Tonascia at 5:00 p.m.

- 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 Vice President Flores and a second by Director Tobias, the Agenda was approved by 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: May 25, 2022 Regular Meeting**
2. **Allowance of Claims**
3. **Acknowledgement of Paid Claims prior to the June Board Meeting**
4. **Recognizing Mike Razo for 15 Years of Service, Certificate Issued**
Opting to discuss item #5 separately, a motion was made by Director Tobias and seconded by Director Williams, the Board of Directors approved the Consent Agenda with 5 affirmative votes.
5. **Consider Resolution Recognizing Sara Singleton for 14 Years of Service**
Mr. Cattaneo read the resolution recognizing Sara Singleton for her 14 years of service into the record. He further reviewed the numerous projects Mrs. Singleton has been involved in since 2017. Mr. Cattaneo thanked Mrs. Singleton for her service.
With a motion by Director Tobias and a second by Vice President Flores, the Board of Directors approved Resolution #2022-19, *A Resolution of the Board of Directors of the*

San Benito County Water District Recognizing Sara Singleton for 14 Years of Service with 5 affirmative votes.

REGULAR AGENDA:

6. 2022-2023 District Budget

a. Presentation of 2022-2023 District Budget

Using a PowerPoint, Mr. Cattaneo reviewed the proposed budget. He began with the sources of funding and uses of funding for both the Operating and Capital Budgets. He also reviewed the budget summary and noted, due to the lack of revenues from water sales due to the drought, the result is a deficit of \$163,887.

Regarding the Operating Budget, he reviewed how the internal process is done. Mr. Cattaneo then reviewed the key assumptions, by Zone, for both the Operating and Non-Operating Revenue. Reviewing the revenue by sources, he reported the largest sources for the District are the Finished Water Sales and the Property Taxes. Mr. Cattaneo further reviewed the finished water revenue by source and the key assumptions regarding the cost of water. Moving on to expenses, he reviewed the expenses by source and noted the three largest are Contract Services, Depreciation/Amortization and Wages/Employee related. Mr. Cattaneo then reviewed a summary of operating expenses over a 9-year period. For the 2022-2023 year, Mr. Cattaneo reviewed the proposed budgets for expenses in General & Administration, Wages/Employee Related, Materials/Equipment, Contract Services and Water Resources Association participation.

Regarding the Capital Budget, Mr. Cattaneo reviewed the preliminary surveys/investigations, construction in progress projects, property, plant and equipment and the Reach 1 projects. Also reviewed were the District's CVP contract payments and the summary of the Capital Budget.

b. Consider Board Approval of 2022-2023 District Budget

With a motion by Director Shelton and a second by Director Williams, the Board of Directors approved the 2022-2023 District Budget with 5 affirmative votes.

7. Consider Amending Resolution 2021-15 Regarding the District Policy on Restriction and Designation of District Net Assets/Cash

Mrs. Machado reviewed this item for the Board. As per Mrs. Machado, there are a few changes in Table 2, otherwise, everything else remains the same.

Director Tobias asked about the water supply revolving designation; is it for Ag or M&I water? Mr. Cattaneo stated it is for any water that is available for purchase, but he has been unable to buy any as the price has been too high.

With a motion by Director Williams and a second by Vice President Flores, the Board of Directors approved Resolution #2022-20, *A Resolution of the Board of Directors of the*

San Benito County Water District Amending Resolution 2021-15 Regarding the District Policy on Restriction and Designation of District Net Assets/Cash was approved by 5 affirmative votes.

8. Consider Resolution Ordering District Election, Requesting Election Services and Authorizing Payment Therefore

Mrs. Mauro reviewed this item for the Board. She stated this is a required action by the District every 2 years, as our elections are handled through the County's Election department.

With a motion by Director Tobias and a second by Vice President Flores, the Board of Directors approved Resolution #2022-21, *A Resolution of the Board of Directors of the San Benito County Water District Ordering Election, Requesting Election Services and Authorizing Payment Therefore* was approved by 5 affirmative votes.

9. Discuss and Consider Approval of SCADA System Migration from Wonderware to iControl Ignition Systems and 3 Year Service Contract with MCC Controls, LLC DBA Primex Controls for RTUs 1 - 20 (NTE \$142,270).

Mr. Haertel reviewed this item for the Board. The District began utilizing Primex a few years ago when they began providing support of our SCADA system. He reviewed the technical memo that compared our current Wonderware system to the iControl Ignition. Not only would it be better for the District as Primex would manage the system, but it also offers a cost savings as well. Currently, Primex is managing the software in the field and ELC is managing the software in the office. If approved, Primex would be managing both.

Director Shelton asked if Primex has had any similar transitions. Mr. Haertel stated yes, very similar. Mr. Haertel added Primex is also doing work for Sunnyslope County Water District and the 2 treatment plants have the same SCADA system.

With a motion by Vice President Flores and a second by Director Shelton, the Board of Directors Approved of SCADA System Migration from Wonderware to iControl Ignition Systems and a 3-Year Service Contract with MCC Controls, LLC DBA Primex Controls for RTUs 1-20 (NTE \$14,270) with 5 affirmative votes.

10. Staff report/update on Investment with UnionBanc Investment Services

Mr. Cattaneo reviewed a handout on the recent investments the District has made with UnionBanc. A comparison of the investment had it stayed in LAIF vs. moving to UnionBanc, showed an overall estimated increase of \$461,860 in anticipated earnings.

11. Committee/Agency Representative Reports:

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

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

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

As per Director Flores, he attempted to attend virtually, but was never allowed into the meeting.

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

As per Director Flores, the budget was reviewed as well as the restart of the turf removal program.

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

As per Directors Tonascia and Williams, this has already been covered.

12. **Monthly Operations and Maintenance Report**

Mr. Craig showed photos of a 20-inch line break near Filice Farms, Pump Station 9H/9L, and inside one of the tanks at the pump station. Also, at a recent ACWA/JPIA Training, they complimented the District on their Confined Space knowledge.

13. **District Manager's Report:**

a. **Reach 1 Operations**

As per Mr. Cattaneo there isn't much to report except the pump rebuilds. The next step is to determine if it is more cost effective to rebuild or buy new ones.

b. **Zone 3 Operations**

As per Mr. Cattaneo, District staff is only mowing at this time.

c. **Zone 6 Operations**

As per Mr. Cattaneo, staff has moved all of the available water into San Justo Reservoir about a month and a half ago. Also, Mr. Cattaneo asked Todd Groundwater to prepare a request to the Bureau for M & I water for health and safety reasons, and we haven't heard back yet.

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

As per Mr. Cattaneo, three items were discussed.

1. BF Sisk Dam Raising is moving forward. A 30/70 split is being discussed. 30% non-reimbursable costs by the Bureau and 70% reimbursable costs by the investor-owned portion. The initial phase for planning is expected to be \$1 million with the overall planning and design costs to be \$60-\$100 million.
2. San Luis Transmission Project was discussed. This is the power transmission line from the Tracy pumping station to San Luis. It appears to be less expensive to build a transmission line. It is estimated that it will take about \$.5 billion to get the project off the ground. Discussion continues whether it is feasible or not.
3. Delta Mendota Subsidence Problem—The canal is now being affected. From 2014 to today, parts of the canal have dropped 20". The preliminary estimate is \$700 million. The planning could be done by March 2024 and the design sometime later in 2024.

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

As per Mr. Cattaneo, this is moving forward. The final document on the plan is being reviewed by Scott Morris. He added approval for the new rates for the City of San Juan Bautista are due to be approved by their council as early as this week.

14. **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
15. **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, Finance Manager, Human Resources/Administrative
Assistant, Operations and Maintenance Manager, Senior Engineer,
Supervising Accountant, Water Conservation Program Manager
16. **CLOSED SESSION: Conference with Labor Negotiator**
Pursuant to Government Code Section 54957.6
Agency Designated Representative: Jeff, Cattaneo, District Manager
Unrepresented Employees: Executive Employees: District/General Manager,
Assistant General Manager, Manager of Administration, Finance and
Business Services, District Engineer
(The Board convened in Closed Session at 6:32 p.m.)
17. **OPEN SESSION**
(The Board reconvened in Open Session at 6:40 p.m.)

President Tonascia stated on Agenda Items 14, 15 and 16, no action was taken in Closed Session.

1. **Approve Resolution #2022-22 regarding amendment to Salary and Compensation Resolutions for the Management/ Confidential/ Professional Employee Group and Executive Management Employee Group, providing a Lump Sum Payment in the amount of 3% annual salary for the Management/ Confidential/ Professional Employee Group, and a reduction in furlough days for fiscal year 22/23 from ten to five for the Management/ Confidential/ Professional Employee Group and Executive Management Employee Group**
 - a. **Oral Summary of Changes for Local Agency Executives**
President Tonascia read the following Oral Summary into the record:

*ORAL SUMMARY FOR LOCAL AGENCY EXECUTIVES
LUMP SUM AND FURLOUGHS FOR FY22/23*

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 # 17-1, pertains to final action by the Board of Directors regarding the recommendation to approve changes to compensation for department heads, including the Finance Manager, Water Conservation Program Manager, Deputy District Engineer, and Operation and Maintenance Manager, and compensation for Executive Managers, including the General/District Manager, Manager of Administration, Finance and Business Services, Assistant General Manager and District Engineer, all whom constitute local agency executives. Changes in compensation are as follows:

Effective July 11, 2022, the Finance Manager, Water Conservation Program Manager, Deputy District Engineer, and Operation and Maintenance Manager will receive a one-time lump sum payment equal to three percent (3%) of each employee's annual base pay. In addition, furloughs for fiscal year 2022-23 required under Section 4.0 of the Management/ Confidential/Professional Compensation Resolution will be reduced from ten to five.

For fiscal year 22/23, for the General/District Manager, Manager of Administration, Finance and Business Services, Assistant General Manager and District Engineer, furloughs as required under Section 4.0 of the Management/ Confidential/Professional Compensation Resolution will be reduced from ten to five.

The Management/ Confidential/ Professional Compensation Resolution has been amended to reflect these changes. Section 6.0 of the Executive Management Group Compensation Resolution currently provides that the fringe and supplemental benefits provided in the District's Salary and Compensation Resolution for Management/ Confidential/ Professional employees will be provided to employees in the Executive Management group in the same manner as provided to management employees in the District.

With a motion by Director Tobias and a second by Director Williams, the Board of Directors approved Resolution #2022-22, A Resolution of the Board of Directors of the San Benito County Water District regarding amendment to Salary and Compensation Resolutions for the Management/ Confidential/ Professional Employee Group and Executive Management Employee Group, providing a Lump Sum Payment in the amount of 3% annual salary for the Management/ Confidential/ Professional Employee Group, and a reduction in furlough days for fiscal year 22/23 from ten to five for the Management/ Confidential/ Professional Employee Group and Executive Management Employee Group with 5 affirmative votes.

2. Approve Resolution #2022-23 regarding Lump Sum Payment in the amount of 3% annual salary and reduction in furlough days for fiscal year 22/23 from ten to five for employees represented by SEIU Local 521

With a motion by Director Williams and a second by Director Shelton, the Board of Directors approved Resolution #2022-23, A Resolution of the Board of Directors regarding Lump Sum Payment in the amount of 3% annual salary and

reduction in furlough days for fiscal year 22/23 from ten to five for employees represented by SEIU Local 521 by 5 affirmative votes.

18. Adjournment

With no further business to discuss, the meeting was adjourned at 6:45 p.m.

Approved at the July 27, 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