

November 30, 2022
Regular Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, November 30, 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 Director Andrew Shelton. Also present were Assistant General Manager Steve Wittry, District Counsel Jeremy T. Liem, Manager of Administration, Finance and Business Services Joyce Machado, Finance Manager Natalie Sullivan, Water Conservation Program Manager Shawn Novack and Board Clerk/Office Specialist III Barbara Mauro. District Manager Jeff Cattaneo participated remotely via Zoom.

CALL TO ORDER

President Tonascia called the meeting to order 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 directors were present.

President Tonascia stated that due to the November 8, 2022 election not yet being certified, Doug Williams and Mark Wright were unable to be sworn in to participate as Board members in tonight's meeting. President Tonascia did state both Mr. Williams and Mr. Wright were the apparent winners in their divisions. Therefore, tonight's meeting was conducted with 3 board members.

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
Noting the amendment of the language on agenda item #4, there was a motion by Vice President Flores and a second by Director Shelton; the agenda was approved by 3 affirmative votes, Tonascia, Flores and Shelton.

e. Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda

PUBLIC APPEARANCE

a. Consider Resolution Recognizing John Tobias for his Twenty-Four Years of Service to the District

John Tobias was unable to attend the meeting, but President Tonascia read the resolution honoring Mr. Tobias into the record. President Tonascia further thanked Mr. Tobias for his twenty-four years of service to the District.

With a motion by Director Shelton and a second by Vice President Flores, the Board of Directors approved Resolution #2022-28, *A Resolution of the Board of Directors of*

the San Benito County Water District Recognizing John Tobias for his Twenty-Four Years of Service to the District by 3 affirmative votes, Tonascia, Flores and Shelton.

CONSENT AGENDA:

- 1. Approval of Minutes for: October 26, 2022 Regular Meeting**
- 2. Allowance of Claims**
- 3. Acknowledgement of Paid Claims prior to the November Board Meeting**

With a motion by Vice President Flores and a second by Director Shelton, the Board of Directors approved the Consent Agenda with 3 affirmative votes, Tonascia, Flores and Shelton.

REGULAR AGENDA:

- 4. Receive Draft Final Water Rate Study from Raftelis and Discuss and Consider Authorizing the District Manager to mail Prop 218 Notices for:**
 - a. 2022-2023, 2023-2024 and 2024-2025 Zone 6 Water Rates**
 - b. 2022-2023, 2023-2024 and 2024-2025 Groundwater Rates**
 - c. 2022-2023, 2023-2024 and 2024-2025 Recycled Water Rates**

Mr. Cattaneo reported the Draft Rate Study prepared by Raftelis is now complete. Theresa Jurotich from Raftelis presented a PowerPoint on the study. She gave the background and objectives for the study. Three years of rates for the Zone 6 Groundwater, San Felipe and Recycled Water were discussed. As part of the study, Prop 218 and 26 compliance was factored in. Ms. Jurotich reviewed the new capacity fee and water supply reliability charge. She reviewed the framework for the rates and stated the Agricultural rate was based on a 35% water allocation. There are rates for Ag, M&I, Small Parcel and the new Water Supply Reliability rate. Ms. Jurotich then reviewed the next steps which would be for the Board to approve staff to mail the Prop 218 notices ahead of the public hearing scheduled for the end of January.

A member of the public, via Zoom, stated there have been significant increases in power, is a 3.5% average increase sufficient? Ms. Jurotich stated they are pass through costs and they could and would be higher if power increases. The member of the public further asked if construction costs rise, does the \$12,000 capacity fee allow for that? Ms. Jurotich stated a higher escalation was used but yes, there is a potential for these costs to rise and the capacity fee would need to be revisited. Mr. Cattaneo added project costs could be re-evaluated and the District would revisit the capacity fee. Mrs. Machado also stated the rates would be revisited every three years and the rates could be corrected, as needed.

Richard Bettencourt, a member of the audience, asked if the Prop 218 process could be explained. Mr. Wittry stated Prop 218 is in place to protect taxpayers. All increases must go through the Prop 218 and he further explained notices are mailed out 45 days prior to the public hearing where the rates are considered for approval. The District will have a public hearing at their January 25, 2023 meeting and rate payers are allowed to protest. Mr. Cattaneo further added the water rates paid by the City of Hollister, Sunnyslope County Water District and the City of San Juan Bautista are not subject to Prop 218.

With a motion by Vice President Flores and a second by Director Shelton, the Board of Directors approved Authorizing the District Manager mail the Prop 218 notices for the Zone 6 Water Rates, the Groundwater Rates and the Recycled Water Rates for 2022-2023, 2023-2024 and 2024-2025 by 3 affirmative votes, Tonascia, Flores and Shelton.

5. Consider Support and Application for USBR CVP Reserved Works Funding from the Aging Infrastructure Account

Mr. Wittry stated the USBR is asking for a letter of support for their Aging Infrastructure Account. With a motion by Director Shelton and a second by Vice President Flores, the Board of Directors approved Support and Application for USBR CVP Reserved Works Funding from the Aging Infrastructure Account by 3 affirmative votes, Tonascia, Flores and Shelton.

6. Consider Resolution Authorizing the Grant Application, Acceptance, and Execution for the Urban Community Drought Relief Grant Program for – The Turf Removal and Drought Resiliency Program

Mr. Novack reviewed this item for the Board. Approval of the draft resolution, per Mr. Novack, is part of the Grant application for the DWR Urban Community Drought Relief Grant Program. It is a \$3 million grant, and it can be used for the turf removal program as well as updating homeowners' irrigation systems. Staff, per Mr. Novack, is recommending the Board approve the District apply for the grant.

Director Shelton asked what the status is of the previously applied for grant for the turf removal. Mr. Novack stated the District is still waiting to hear on that grant. He further reviewed how the program is going and that there is still a need to reduce water consumption in landscaping, particularly in homes built in the 1990's and earlier. Mr. Novack stated new homes are much more efficient.

Mr. Bettencourt, a member of the audience, asked if this is a State of California grant. Mr. Novack said it is.

With a motion by Vice President Flores and seconded by Director Shelton, the Board of Directors approved Resolution #2022-29, *A Resolution of the Board of Directors of the San Benito County Water District Authorizing the Grant Application, Acceptance, and Execution for the Urban Community Drought Relief Grant Program – The Turf Removal and Drought Resiliency Program* with 3 affirmative votes, Tonascia, Flores and Shelton.

7. Discuss and Consider Resolution Authorizing an Application be made to the California Department of Water Resources for an Integrated Regional Water Management Implementation Grant Pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code Section 75001 et seq.), Enter into a Grant Agreement and Granting District/General Manager Authorization to Execute Documents in relation thereto

Mr. Cattaneo reviewed this item for the Board. He stated this item is related to the work that the District began approximately fifteen years ago for the IRWM process. IRWM helped agencies consolidate regional projects and determine which projects needed to be funded. Mr. Cattaneo reported during the last round of grant funding, only four

applications were received. The District has approximately \$30 million in upcoming projects that the grant funds could be put towards per Mr. Cattaneo.

With a motion by Director Shelton and a second by Vice President Flores, the Board of Directors approved Resolution #2022-30 *A Resolution of the Board of Directors of the San Benito County Water District Authorizing an Application be made to the California Department of Water Resources for an Integrated Regional Water Management Implementation Grant Pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code Section 75001 et seq.), Enter into a Grant Agreement and Granting District/General Manager Authorization to Execute Documents in relation thereto* by 3 affirmative votes, Tonascia, Flores and Shelton.

8. Consider setting the September, November and December Board Meeting dates for 2023

Mrs. Mauro reviewed the proposed changes staff had for the board meeting schedule for 2023. Staff is recommending moving September's meeting to September 20, 2023 and December's meeting to December 20, 2023.

Agreeing with staff's recommendations, a motion was made by Director Shelton and seconded by Vice President Flores; the Board of Directors approved the setting of the September, November and December Board Meeting dates for 2023 with 3 affirmative votes, Tonascia, Flores and Shelton.

9. Mid Pacific Water Users Conference, January 25th through 27th, 2023 in Reno, Nevada

a. Consider District Manager or Designee and Director Attendance

Per President Tonascia, if any directors wish to attend, please contact Mrs. Mauro.

10. 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, general business was discussed.

c) Policy Direction Ad Hoc Committee (Tonascia/Flores)

As per Directors Tonascia and Flores, the Prop 218 notices were discussed.

11. Monthly Operations and Maintenance Report

Mrs. Machado gave this report to the Board. During November, the District's staff participated in on-line training, performed several leak repairs and assisted the Department of Safety of Dams with their inspections of Hernandez and Paicines Reservoirs.

12. District Manager's Report:

a) Reach 1 Operations

Mr. Cattaneo reported that Reach 1 is shut down and will likely be down through January. This shutdown is due to necessary maintenance, repairs and inspections.

b) Zone 3 Operations

Mr. Cattaneo stated there was nothing to report at this time.

c) Zone 6 Operations

Mr. Cattaneo reported the West Hills Water Treatment Plant is out of operation due to an accident that sent a power spike to the plant and damaged the equipment. He stated staff is estimating the plant could be down 2-3 months. In the interim, Mr. Cattaneo reported Sunnyslope County Water District's staff will be bringing the Lessalt Water Treatment Plant back on-line.

d) San Luis Delta Mendota Water Authority Activities

Mr. Cattaneo reported on the Aging Infrastructure program, which the Authority is also applying for. In addition to the current cycle, there will be four more cycles that the Authority can participate in. Mr. Cattaneo reported the repayment is up to fifty years and is at a very low interest rate.

e) City of San Juan Bautista Water Supply Plan

Mr. Cattaneo reported the City of San Juan Bautista (City) has come back with some comments on the agreements. Mr. Cattaneo added he and Mr. Wittry plan to meet with the City and explain the terms in greater detail.

13. Adjournment

With no further business to discuss, the meeting was adjourned at 5:55 p.m.

Approved at the December 21, 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