

May 31, 2023
Regular Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, May 31, 2023 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: Vice President Andrew Shelton and Directors Joe Tonascia, Doug Williams and Mark Wright; President Sonny Flores was absent. Also present were General Manager Steve Wittry, District Counsel Jeremy T. Liem, Manager of Administration, Finance and Business Services Joyce Machado, Deputy District Engineer Rob Hillebrecht, Senior Engineer David Macdonald, Water Conservation Program Manager Shawn Novack, Operations and Maintenance Supervisor Michael Craig and Board Clerk/Office Specialist III Barbara Mauro.

CALL TO ORDER

Vice President Shelton called the meeting to order at 5:00 p.m.

- a. Pledge of Allegiance to the Flag**
Vice President Shelton led the Pledge of Allegiance.
- b. Roll Call**
Mrs. Mauro called roll; members present were Vice President Shelton and Directors Tonascia, Williams and Wright. President Flores was absent.
- 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**
A motion was made by Director Tonascia and a request to take agenda item #4 out of the Consent Agenda for discussion; this motion was then seconded by Director Williams, the agenda was approved by 4 affirmative votes, Shelton, Tonascia, Williams and Wright with 1 absence, Flores.
- 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: April 26, 2023 Regular Meeting**
- 2. Allowance of Claims**
- 3. Acknowledgement of Paid Claims prior to the May Board Meeting**
- 4. On Call Contracts – Status Updates**
As requested, Mrs. Machado gave an update on the two On Call contracts. In May, Primex was issued Task Order #5 and Todd Groundwater was issued Task Order #2 a. Discussion ensued about the status of both contracts.

With no additional questions, a motion was made by Director Williams and seconded by Director Wright, the Consent Agenda was approved by 4 affirmative votes, Shelton, Tonascia, Williams and Wright, with 1 absence, Flores.

REGULAR AGENDA

5. 2023-2024 District Budget

Mr. Wittry stated this was a monumental task and he thanked Mrs. Machado and the accounting staff, Cindy Paine and Athina Frederico for all their efforts in the budget preparation.

a. Presentation of 2023-2024 District Budget

Mrs. Machado, utilizing a PowerPoint presentation, reviewed the budget. She began by stating the Finance Committee had reviewed the budget with staff and recommended Board approval. Mrs. Machado reviewed the Operating and Capital Budgets' sources of funds and the use of said funds. She reviewed the Budget Summary by Zones and the overall totals.

Mrs. Machado reviewed the process the District staff goes through to get the budget ready for the Board, including the General Manager's review of each departments' budget.

Mrs. Machado reviewed the Operating Revenue by Zone and detailed each zone's sources. She further reviewed the Non-Operating Revenue and their key assumptions.

Director Tonascia asked about the cost of water assumptions stating 8200 acre feet of M&I water. Mrs. Machado explained the goal is to get 8250 acre feet of M&I water through bifurcation.

Mrs. Machado then reviewed the District's expenses by their source. She continued with a review of General and Administration, Wages/Employee Related Expenses, Material and Equipment, Contract Services-General, Contract Services-Operations, and Contract Services-Programs. Mrs. Machado reviewed the Net Operating Income after transfers and contributions, which was shown by zone and total.

Mrs. Machado continued with the Capital Budget. She reviewed each category including the annual CVP Amendatory Contract Payment, which will be \$1,942,150 next year.

Director Tonascia added the Finance Committee went through it thoroughly and were satisfied with the budget being presented.

b. Consider Board Approval of 2023-2024 District Budget

With a motion by Director Tonascia and a second by Director Wright, the Board of Directors approved the 2023-2024 District Budget by 4 affirmative votes, Shelton, Tonascia, Williams and Wright with 1 absence, Flores.

6. **Consider Amending Resolution 2022-20 Regarding the District Policy on Restriction and Designation of District Net Assets/Cash**

Mrs. Machado reviewed this item for the Board. She stated this is the District's annual review and with the exception of some minor edits, there are no changes.

With a motion by Director Williams and a second by Director Wright, the Board of Directors approved Resolution #2023-14, *A Resolution of the Board of Directors of the San Benito County Water District Amending Resolution 2022-20 Regarding the District Policy on Restriction and Designation of District Net Assets/Cash* by 4 affirmative votes, Shelton, Tonascia, Williams and Wright with 1 absence, Flores.

7. **Succession Planning for the Operation and Maintenance Division**

Mr. Wittry stated he had a discussion with Dave Meraz and he intends to retire sometime around September 1st. He would like to see a smooth transition, so staff is recommending the District overfill the position while we recruit for Mr. Meraz's replacement, to take advantage of Mr. Meraz's knowledge of the District.

With a motion by Director Tonascia and a second by Director Wright, the Board of Directors approved the overfill of the Operations and Maintenance Manager during the recruitment of Mr. Meraz's replacement, by 4 affirmative votes, Shelton, Tonascia, Williams and Wright with 1 absence, Flores.

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

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

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

b. **ACWA Spring Conference, Monterey May 9-11, 2023 (Tonascia/Wittry)**

As per Director Tonascia, he attended the conference. He reported on the Agricultural Committee as well as the Groundwater Committee. Discussions included the wet winter, SGMA, percolation, the Sites Reservoir Project and the environmental issues facing the State. Mr. Wittry, who also attended, stated electrification of agencies' fleets were discussed. The State is not making agencies retire their current fleet but to change to electric as vehicles are replaced. Mr. Wittry added there seems to be a lot of confusion.

c. **Association of California Water Agencies—Joint Powers Insurance Authority (Tonascia)** As per Director Tonascia, he attended the JPIA Board of Directors meeting. He reported most districts have several policies through them. He further reported that there will not be any rebates this year, due to all of the losses attributed to the California wildfires.

d. **Administration Committee (Flores/Shelton)**

As per Director Shelton, the committee discussed the renewal of the O&M agreement with Sunnyslope County Water District to operate the two water treatment plants. He further stated it expires in August and the committee authorized staff to negotiate the renewal.

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

As per Directors Tonascia and Wright, the committee reviewed the Budget.

f. Personnel Committee (Flores/Tonascia)

As per Director Tonascia, the committee discussed succession planning.

9. Monthly Operations and Maintenance Report

Mr. Craig showed several photos of the damage from the storms earlier this year including the Churchill/Los Viboras area as well as at Hernandez Reservoir. He reported there is a slow leak that needs repair at the end of Los Viboras and that seventeen of the twenty-four culverts at Hernandez are plugged up. Mr. Craig added the District staff will likely need some assistance to clean all of this up. Discussion ensued about the possibility of burning some of the debris.

10. General Manager's Report:

a) General Comments

Mr. Wittry reported the District has received an award notification from DWR for two of our recent grant applications for the ADROP Project; one for \$2.07 million and \$11.5 million. Once the public review period ends, Mr. Wittry reported the Board will be required to formally accept the funding and the terms of each grant.

Mr. Wittry also reported the USBR has stated there will be a contract compliance review in August; this will include review of delivery and billing records, payments and charges and delivery information.

Mr. Wittry reported staff has begun discussion with Sunnyslope County Water District regarding the extension of the operations agreement for the two water treatment plants.

Mr. Wittry reminded the Board there is a Special Meeting on June 13th to discuss the B F Sisk Dam raise project and what level of commitment the Board wishes to pursue.

b) Reach 1 Operations

As per Mr. Wittry, Bifurcation is down due to PG&E retrofit work and it is expected to return to service the second week of June.

c) Zone 3 Operations

As per Mr. Wittry, Hernandez Reservoir is still spilling. District staff is getting quotes to repair the access road.

d) Zone 6 Operations

As per Mr. Wittry, the primary issue has been restoring service to Sub 10 due to the Highway 156 widening project. MPE anticipates filling the system for service around June 2nd. He further clarified the timing of the completion of this project, due to issues such as the weather we had in the beginning of the year. He reviewed the delay in the date of completion due to issues such as the weather, extra lead time needed for materials and the District's failure to list "Buy America" requirements in the specifications which combined, added 100.5 working days to this contract. Mr. Wittry added District staff did visit the site daily, to keep abreast of the progress.

e) San Luis and Delta-Mendota Water Authority Activities

As per Mr. Wittry, he stated regular business was discussed and new Board members attended a tour of the Authority's facilities on May 15th.

f) Pacheco Reservoir Expansion Project

As per Mr. Wittry, Valley Water's Chairman requested a letter of support for the project, which the District provided. There is concern from Valley Water's board as the cost for the project continues to escalate.

g) City of San Juan Bautista Water Supply Plan

As per Mr. Wittry, staff had a productive meeting today with San Juan Bautista. The District will be providing updated project information over the next two weeks to reflect the changes to the preliminary design report. San Juan Bautista intends to use the Basis of Design Report to solicit grant and/or low interest funding.

11. CLOSED SESSION: Conference with Labor Negotiator

Pursuant to Government Code Section 54957.6

Agency Negotiator: Steve Wittry, General 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 Negotiator: Steve Wittry, General 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

(Board convened in Closed Session at 6:20 p.m.)

13. OPEN SESSION:

(Board reconvened in Open Session at 6:37 p.m.)

Report any action, if any, from Closed Session

As per Vice President Shelton, there was nothing to report.

14. Adjournment

With no further business to discuss, the meeting was adjourned at 6:38 p.m.

Approved at the June 28, 2023 Board meeting and signed by the presiding board member.

/s/Sonny Flores
Sonny Flores, President

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