

June 13, 2023
Special Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in special session on Tuesday, June 13, 2023 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Sonny Flores, Vice President Andrew Shelton and Directors Joe Tonascia, Doug Williams and Mark Wright. 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 Resources Conservation Manager Shawn Novack and Board Clerk/Office Specialist III Barbara Mauro.

CALL TO ORDER

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

- a. Pledge of Allegiance to the Flag**
President Flores led the Pledge of Allegiance.
- b. Roll Call**
Mrs. Mauro called roll; Members present were President Flores, Vice President Shelton and Directors Tonascia, Williams and Wright.
- c. Speakers will be limited to 5 minutes to address the Board**

AGENDA ITEMS:

1. Board Discussion on B F Sisk Dam Project

Using a PowerPoint Presentation, Mr. Wittry introduced this item for the Board.

There are two groups involved in this project; the CVP users and the Investors. Mr. Wittry stated the process is moving forward. On June 15th, there will be a meeting with the USBR regarding the operational agreement. The funding will be either based on 50% from the Investors, 30% from a Grant and 20% from Reclamation; or it will be 70/30 split, taking out Reclamation.

Mr. Wittry stated currently there are 10 agencies in the Investor group, including our district. Currently, we have been allocated 1575-acre feet of additional storage, but, at the Boards direction, the number could go up, per Mr. Wittry. On May 3rd the number of acre feet desired by the partner agencies was 117,011. Presently, due to the revised requests of the participants within the Investor group, its and now it's down to 64,311. Mr. Wittry stated Valley Water may pick up additional storage if it is needed, pending their board action.

Director Wright asked why Westlands Water District reduced their storage request. Mr. Wittry stated it was due to the cost. Mrs. Machado added all of the changes to the overall total were driven by cost.

Mr. Wittry continued by stating our initial request was 5000-acre feet of storage, but because the amount of the requests for everyone was over-subscribed, it was calculated to

the 1575-acre feet value. President Flores asked if it is 1575 annual average of storage and Mr. Wittry confirmed that figure.

Mr. Wittry stated, from the November 9, 2022 Raftelis rate study, there was a proposal for a capacity fee which has not yet been adopted as staff is working out the details. Director Wright asked once the Board approved the capacity fee, how soon could it start. Mr. Wittry stated when the Board approves it, it is final at that point and collection could begin after a short appeal period. Mr. Wittry explained about the difficulty in imposing this new fee if a development already has a Development Agreement in place with the governing body. The District would need legal input on the applicability of the fee to already approved construction projects. However, the fee would certainly apply to new developments that have not yet been approved.

Mr. Wittry then reviewed the option for the project with the 50/50 split; which has 3 options and 3 different choices. He then reviewed each of the options. Director Tonascia asked what the cost per acre-foot of storage for each option would be. Mrs. Machado stated: Option 3 \$1055 A/F; Option 2 \$1001 A/F; Option 1 \$841 A/F.

Mr. Wittry then reviewed the grant the District has received from the State for the ADRoP plan. \$2 million was designated for design and \$11 million was designated for implementation. Currently, our CVP allocation is 8250 A/F of M&I water but the total contract is for 43,500 A/F and the allocation between AG and M&I can change based on need. Mr. Wittry stated the District currently uses the 8250 but the grant would allow the expansion of the West Hills water treatment plant up to 6.75 MGD (millions/gallons/day). Also, bringing the City of San Juan Bautista in, will also allow the increase of M&I usage.

Mr. Wittry then reviewed the 70/30 project split. Option 1 991 AFY (1575 A/F); Option 2 1816 AFY (3500 A/F); and Option 3 2472 AFY (5000 A/F). Mr. Wittry stated several agencies have issues with the RRA reporting for the Bureau, but on the whole, our District would benefit from this proposal. Discussion ensued about what information the Board would like to see for the regular meeting on June 28th, so staff can make those preparations. Several agencies, between now and the end of June, are meeting to discuss their level of commitment they have for this project. Mr. Wittry stated our district will need to do the same. He further noted, once the operations agreement with the Bureau is complete, the District will have an opportunity to alter its allocation determination/request. Mr. Wittry reminded the Board that this is the cost of storage only; the cost of the water would be additional. He further stated the years the District receives a full allocation would be the years the storage would be utilized. Discussion ensued about how the capacity fee plays into the cost and the rates.

Director Tonascia asked what the current estimated cost of the Pacheco Reservoir Expansion Project is. Mr. Wittry stated, \$2.5 Billion.

President Flores asked if the City of Hollister and Sunnyslope County Water District were being informed about the project and how it would impact them. Mr. Wittry stated

yes, they were being informed and will continue to keep them updated as the information becomes available.

Director Tonascia asked if the capacity fee is \$11,000 or \$12,000. Mr. Wittry stated as drafted it is set to \$12,000. There is risk, should the economy slow, and construction proceed that the District will be required to make payments towards construction prior to collection of the development fees. Director Tonascia asked if the \$68 million from the capacity fee is strictly for the B F Sisk Dam project and Mr. Wittry confirmed it is. Director Tonascia further asked what the start time of the project is. Mr. Wittry stated it is estimated that construction would start in two years and be completed in approximately five years.

Vice President Shelton asked if it is possible for Valley Water to increase their participation in this project, based on the increasing cost of the Pacheco Reservoir Expansion Project; Mr. Wittry stated that is a possibility.

2. **CLOSED SESSION: Public Employee Performance Evaluation Pursuant to Government Code Section 54957**
Title: General Manager
3. **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
4. **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

(The Board convened in Closed Session at 6:55 p.m.)

5. **OPEN SESSION:**

(The Board reconvened in Open Session at 8:42 p.m.)

Report any action, if any, from Closed Session items
President Flores stated there was no action to report.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 8:43 p.m.

The minutes were 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