

January 27, 2021
Regular Meeting
5:00 p.m.

On March 12, 2020, Governor Newsom issued Executive Order N-25-20, which enhances State and Local Governments' ability to respond to COVID-19 Pandemic; this meeting was conducted with some members participating via conference phone. Because of this, all voting was done by roll call vote.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, January 27, 2021 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present at the District were: President Doug Williams and Vice President Joe Tonascia; Director John Tobias was absent. Directors Sonny Flores and Andrew Shelton participated virtually. Also present at the District were District Manager/Engineer Jeff Cattaneo, Assistant Manager Sara Singleton, Deputy District Engineer Garrett Haertel, Water Conservation Program Manager Shawn Novack and Board Clerk/Office Specialist III Barbara Mauro. District Counsel Jeremy T. Liem, Finance Manager Natalie Sullivan and Office and Maintenance Supervisor Michael Craig also attended virtually.

CALL TO ORDER

President Williams called the meeting to order.

a. Pledge of Allegiance to the Flag

President Williams led the Pledge of Allegiance.

b. Roll Call

Mrs. Mauro called roll. President Williams and Vice President Tonascia were present at the District. Directors Flores and Shelton participated virtually, and Director Tobias 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

With a motion by Vice President Tonascia and a second by Director Shelton, the Agenda was approved by 4 affirmative votes: Williams, Tonascia, Flores and Shelton. There was 1 absence; Tobias.

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: December 16, 2020 Regular Meeting
January 11, 2021 Special Meeting**
2. **Allowance of Claims**
3. **Acknowledgement of Paid Claims prior to the January Board Meeting**
4. **Acceptance of Quarterly Investment Report, December 31, 2020**

With a motion by Director Shelton and a second by Vice President Tonascia, the Consent Agenda was approved by 4 affirmative votes: Williams, Tonascia, Flores and Shelton. There was 1 absence, Tobias.

REGULAR AGENDA:

5. Public Hearing regarding 2021-2022 Groundwater Charges

a. Proof of Publication submitted for Notice of Public Hearing

Mrs. Mauro verified the proof of publication.

b. Presentation of 2021-2022 Groundwater Charges

Mr. Cattaneo stated this is an annual item. This is the final year of a three-year rate structure approved by the Board. The proposed rate for the 2021-2022 Water Year is \$13.55 per acre foot for Ag and \$40.55 per acre foot for Municipal and Industrial.

Mrs. Singleton added the District followed the Proposition 218 process when these rates were approved three years ago.

c. Open Public Hearing

President Williams opened the Public Hearing.

d. Close Public Hearing or continue to later date

President Williams, seeing there were no public comments, closed the Public Hearing.

e. Consider Confirming the 2021-2022 Groundwater Charges

With a motion by Vice President Tonascia and a second by Director Shelton, the Groundwater Charges for Water Year 2021-2022 were confirmed by Board of Directors with 4 affirmative votes: Williams, Tonascia, Flores and Shelton. There was 1 absence; Tobias.

6. Consider Agreement between the District and Liebert, Cassidy and Whitmore for Legal Services and Authorize the District Manager to sign agreement

Mrs. Singleton stated this is a contract renewal with our labor counsel firm that the District has used the last twenty years. Kelly Tuffo is the main attorney the District interacts with and she handles the District's labor negotiations and all personnel matters. She further stated the previous agreement is from 2004. The agreement has been reviewed by District Counsel.

Mr. Liem added the rates seem reasonable.

With a motion by Director Shelton and a second by Director Flores, the Board of Directors approved the agreement between the District and Liebert, Cassidy and Whitmore for Legal Services and authorized the District Manager to sign the agreement, with 4 affirmative votes: Williams, Tonascia, Flores and Shelton. There was 1 absence; Tobias.

7. Consider Resolution Approving, Authorizing and Directing Execution and Delivery of a Financing Agreement and Irrevocable Payment Instructions in connection with the issuance of Series 2021 Water Revenue Refunding Obligations, and setting forth the terms and conditions thereof; Authorizing the Execution and Delivery of any and all documents, instruments or certificates necessary or desirable to accomplish the foregoing; and providing for other matters properly related thereto

Mr. Cattaneo stated this agenda item is not ready for the Board to review and approve. Staff is making good progress and will further review with bond counsel on Friday. He added the District may be able to consider approval at a Special Meeting on February 4th or February 8th.

Mrs. Singleton added once staff has reviewed the documents with bond counsel, District Counsel will then review them as well.

Regarding the WIIN Act Contract, Mrs. Singleton confirmed today the contract has been signed by the USBR Regional Director. She added the validation process is almost complete as well. The execution date will be February 1, 2021.

Mr. Liem added the District is tentatively ready to validate, however; Tres Pinos School had some questions. He stated the validation would go without a hearing if no one has any issues with it. The process should be complete over the next few weeks and before February 17, 2021.

8. Consider Resolution Approving a Term Sheet in connection with the Refinancing of the District's outstanding WIIN Act Obligation and Installment Sale Agreement #15-019

Mr. Cattaneo stated this is the same resolution as passed at the Special Meeting held on January 11, 2021 that provided the Board with 2 term sheets (California Bank and Trust and Chase). This resolution is intended to provide the Board a review of a third term sheet (Sterling Bank) in the event the financing with California Bank and Trust does not work out.

Mrs. Singleton added Mr. Soriano has relayed that Chase and Sterling are willing to re-bid, is we go past the expiration date.

Mr. Liem further added Section 2 is approving the term sheet but not authorization to sign the term sheet unless the financing outlined in the Resolution #2021-01 is not accomplished.

With no questions from the Board, a motion was made by Director Flores and seconded by Vice President Tonascia, Resolution #2021-02 *A Resolution of the Board of Directors of the San Benito County Water District Approving a Term Sheet in connection with the Refinancing of the District's outstanding WIIN Act Obligation and Installment Sale*

Agreement #15-019 was approved by the Board of Directors with 4 affirmative votes: Williams, Tonascia, Flores and Shelton and 1 absence, Tobias.

9. North San Benito County Groundwater Sustainability Agency (GSA)

- **Sustainable Groundwater Management Act (SGMA) Update**

Mr. Cattaneo reviewed the PowerPoint which was given to the SGMA Technical Advisory Committee (TAC) today.

Director Tonascia asked if the annual cost of \$267,000 will go away. Mr. Cattaneo stated it will not go away but will go down. Mr. Cattaneo added the District will need to recover the cost of preparing the plan. The plan needs to be updated every 5 years.

10. Committee/Agency Representative Reports:

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

As per Mr. Cattaneo, he will report on this under his District Managers report.

11. Monthly Operations and Maintenance Report

Mr. Craig reviewed photos of the pumps the maintenance staff pulled and cleaned. He also reviewed photos of the 24 inch flowmeter replaced in San Juan Bautista. Mr. Craig also reported there were 24 pipe repairs in 2020, which is the most he has seen since working at the District.

12. District Manager/Engineer's Report:

a) Reach 1 Operations

Mr. Cattaneo reported the District continues to work with Santa Clara Valley Water District (SCVWD) and Alan Zeisbrich on the pump re-builds at the Pacheco Pumping Station.

b) Zone 3 Operations

Mr. Cattaneo stated there isn't much to report. President Williams did report to him that the San Benito River is running, with the latest rain. Mr. Cattaneo reported staff will begin to move water in about a month. He added it was reported that Hernandez received 7-8" of rain from these storms.

c) Zone 6 Operations

i. Update on Mass/Group Messaging Service

Mrs. Sullivan gave an update from the December board meeting. The District has used the service about a week ago for the break in subsystem 9. Staff was asked if customers can have more than 1 contact and the answer is yes; it can be segregated by subsystem. Also asked was what was the percentage of customers' responses for receiving a text versus a phone call. Mrs. Sullivan stated it was difficult to determine this, but added the system is designed to send out a text and it will then rollover to a voice message.

- d) **San Luis Delta Mendota Authority Activities**
Mr. Cattaneo reported that San Luis Reservoir is unlikely to fill. The Authority is hopeful it will be at 60%. The recent storms are good.

- e) **Pacheco Reservoir Expansion Project**
Mr. Cattaneo reported SCVWD's Board of Directors received a report that the project cost has increased to \$2.6 billion.

- f) **Water Infrastructure Improvements for the Nation Act (WIIN) Contract Conversion**
Mr. Cattaneo reported this has been covered.

13. Adjournment

With no further business to discuss, the meeting was adjourned at 5:59 p.m.

The minutes were approved at the February 24, 2021 Board meeting and signed by the presiding board member.

/s/Doug Williams
Doug Williams, President

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