



- c. **Open Public Hearing**  
President Tonascia opened the Public Hearing.
  - d. **Close Public Hearing or continue to later date**  
Seeing that no one wished to speak, he closed the Public Hearing.
  - e. **Consider Confirming the 2018-2019 Groundwater Charges**  
With a motion by Vice President Flores and a second by Director Tobias, the Board of Directors unanimously confirmed the 2018-2019 Groundwater Charges.
- 4. Public Hearing regarding increase to Well Permit Fees**
- a. **Proof of Publication submitted for Notice of Public Hearing**  
Mrs. Mauro verified the proof of publication.
  - b. **Presentation of Proposed Well Fees**  
Mr. Cattaneo stated the District assumed the responsibility of overseeing the well permitting process from San Benito County in 2004 and adopted their fee schedule at that time. The District has not increased fees over this time period, so staff has reviewed all staff costs related to the well permitting process. The proposed increase to the well fees has also been reviewed and recommended by the Finance Committee. Mr. Cattaneo reviewed all the proposed fees and added there is a provision to increase well fees if staff billing fees increase.  
  
Director Tobias asked if the fees will be reviewed on an annual basis and Mr. Cattaneo stated yes.  
  
Mr. Pipal stated the fee study done in support of the well permit fee increase needs to be part of the record. Also, section 5 is not subject to the Prop 218 process. Mr. Pipal added he has also reviewed this matter with San Benito County Counsel and she agreed that no Prop 218 is needed.
  - c. **Open Public Hearing**  
President Tonascia opened the Public Hearing. Richard Bettencourt asked if this is for Ag wells. Mr. Cattaneo stated it is for Ag and Domestic wells. Mr. Bettencourt asked if this will increase the rates. Mr. Cattaneo stated, no, this is for well drilling fees.
  - d. **Close Public Hearing or continue to later date**  
With no other questions from the public, President Tonascia closed the Public Hearing.
  - e. **Consider Approval of Ordinance for Well Permit Fees**  
With a motion by Director Tobias, including the fee study, and a second by Director Bettencourt, Ordinance 59 *An Ordinance of the Board of Directors of the San Benito County Water District revising Filing Fees for Well Permit/Well Abandonment Applications* was unanimously approved.
- 5. Public Hearing regarding increase to Customer Service Fees**
- a. **Proof of Publication submitted for Notice of Public Hearing**  
Mrs. Mauro verified the proof of publication.

**b. Presentation of Proposed Customer Fees**

Mrs. Singleton stated the District has not adjusted customer fees for many years. The fees include non-sufficient funds fees, opening and closing valves, two party transfers, fire protection and new meter fees. Mrs. Singleton stated staff did a similar study as they did for the well fees, reviewing tasks required of District staff, including the time needed and the costs involved. The proposed increase to customer fees was also reviewed and recommended by the Finance Committee. Mrs. Singleton then reviewed all the proposed fees. She added there is also a provision to reassess the fees based on staff billing increases.

Director Huenemann asked about the change to fire protection. Mrs. Singleton stated there is not a change; it would only change if staff billing increases. Mr. Cattaneo added this item is referring to wharf hydrants without blue valve service.

Director Tobias asked if opening and closing of a valve charge is for current customers. Mrs. Singleton stated no, just for new customers.

**c. Open Public Hearing**

President Tonascia opened the Public Hearing. Mr. Bettencourt asked if this pertained to blue valve customers only. Mr. Cattaneo stated yes, just San Felipe water customers.

**d. Close Public Hearing or continue to later date**

With no other questions from the public, President Tonascia closed the Public Hearing.

**e. Consider Approval of Ordinance for Customer Service Fees**

With a motion by Vice President Flores, including the fee study and also Exhibit A, and a second by Director Tobias, Ordinance 60 *An Ordinance of the Board of Directors of the San Benito County Water District Revising/Establishing Customer Service Fees* was unanimously approved.

**6. Discuss and Consider Resolution Approving an Interim Policy to reduce the Agricultural Water Rate for CVP 2017-2018 Contract Year Agricultural Rescheduled Water Year Commencing March 1, 2018**

Mr. Cattaneo stated the District has rescheduled Agricultural Water from the 2017-18 water year through its CVP Contract (due to the 100% allocation last year) which will be available March 1, 2018. Mr. Cattaneo explained the situation with the Federal share of San Luis Reservoir being full, the District runs the risk of losing this water. The amount of water available is 3600 acre feet but the window to use this water is small; it likely will have to be used in March. Staff would like to encourage customers to use this water, so the proposed per acre foot cost of this water is \$109. Mr. Cattaneo added this additional water is a benefit to all of Zone 6, as it will be less groundwater pumping for the basin.

Director Huenemann asked if the District is percolating and also wanted to verify that this water is only designated for Ag. Mr. Cattaneo stated the District is percolating as much as possible and yes, this is only Ag water. Mr. Cattaneo explained the procedure for customers to use this water.

With a motion by Vice President Flores and a second by Director Tobias, Resolution #2018-02, *A Resolution of the Board of Directors of the San Benito County Water District Approving an Interim Policy to reduce the Agricultural Water Rate for CVP 2017-2018 Contract Year Agricultural Rescheduled Water Year Commencing March 1, 2018* was unanimously approved.

**7. Discuss and Consider Approval of North County Groundwater Facilities Plan from HDR (NTE \$141,171)**

Mr. Cattaneo stated when the Master Plan Update was completed, the amount of urban water needed annually by 2022 would be 2000 AF. With the current contract amounts the District has, additional water supply sources will be needed. HDR was asked by District staff to do a preliminary evaluation of water supply options and 8-10 options were reviewed. The best option was the North Area Groundwater Banking Project. Mr. Cattaneo stated HDR will need to create a facilities plan for this project. Also, the City of Hollister is in need of another water supply at the airport, so Mr. Cattaneo stated he could tie that project into the North Area Project. Anticipated completion date for this project would be 4-5 years, per Mr. Cattaneo.

Director Huenemann asked if any of this proposed project area was outside of San Benito County. Mr. Cattaneo stated no.

Director Tobias asked when landowner outreach would begin. Mr. Cattaneo stated once areas are identified, landowners will be contacted. This project will be operated like a water bank; water will be put in and out and will vary from year to year. It could also be tied into the expanded Pacheco project. Director Tobias also asked when Santa Clara Valley Water District (SCVWD) will have an answer on the Pacheco Reservoir expansion project. Mr. Cattaneo stated they are first waiting for an answer on the grant that has been applied for.

Director Bettencourt asked if the City of Hollister would have a part of this project. Mr. Cattaneo stated the City and Sunnyslope County Water District would both benefit from another urban water source.

Director Tobias asked if the District will track all of the related costs and Mr. Cattaneo stated yes, as it likely that there will be Ag and M & I water. Director Tobias asked if the water from this project could be put into the Hollister Conduit and Mr. Cattaneo stated yes.

Director Huenemann asked if the facilities would be inside San Benito County and Mr. Cattaneo stated facilities would be in San Benito County unless mitigation is needed if the Pacheco Reservoir expansion goes forward.

Don Ridenhour, General Manager of Sunnyslope County Water District, added Sunnyslope supports this project and added it was part of the Master Plan Update that the agencies all approved.

With a motion by Director Bettencourt and a second by Vice President Flores, the Board of Directors unanimously approved the North County Groundwater Facilities Plan with HDR (NTE \$141,171).

**8. Consider Changing Date of the Regular Meeting of the Board of Directors in March 2018 to March 21, 2018**

Mr. Cattaneo stated he will be out of town on March 28<sup>th</sup>, so that is the reason for the proposed change.

With a motion by Director Tobias and a second by Director Bettencourt, the Board of Directors unanimously approved the change of the March 2018 Board Meeting to March 21, 2018.

Before proceeding to committee/agency reports, Director Huenemann asked why the item regarding the Water Bond did not come back to the Board from last month's meeting. Mr. Cattaneo stated it will once he receives the information he and the Board requested.

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

- a) **San Luis Delta Mendota Water Authority (Tobias/Tonascia)**  
As per Director Tonascia, this will be discussed under the Manager's Report.
- b) **Pajaro River Watershed Flood Prevention Authority (Bettencourt/Flores)**  
As per Director Bettencourt, the Water Bond and general business items were discussed.
- c) **Water Resources Association (Flores/Bettencourt)**  
As per Director Bettencourt, general business items were discussed.
- d) **Zone 6 Water Supply Committee (Tobias/Flores)**  
As per Directors Tobias and Flores, these items have already been covered.

**10. District Manager/Engineer's Report:**

- a) **Reach 1 Operations**  
Mr. Cattaneo reported the Pacheco Sectionalizing Valve was not completed and so it was deferred; otherwise, everything else has been completed.
- b) **Zone 3 Operations**  
Mr. Cattaneo reported District staff is doing maintenance work on the Paicines Canal. At this time, there isn't any water in either the Paicines or Hernandez Reservoirs.
- c) **Zone 6 Operations**  
Mr. Cattaneo reported San Justo Reservoir is full as of yesterday so the District will now be operating off of Bifurcation.
- d) **San Luis Delta Mendota Authority Activities**  
Mr. Cattaneo reported John Rubin is the new Interim Executive Director of the Authority with the departure of Jason Pellitier. Westlands Water District is

staying on as part of the Authority but does not want to engage in any further activity agreements until a permanent director is hired.

e) **West Hills Water Treatment Plant Open House**  
**Saturday, March 3, 2018**

Mr. Cattaneo reminded the Board that the Open House for the West Hills Water Treatment Plant is this Saturday. The tour for elected officials will begin at 9 a.m. and the general public is invited to tour the plant beginning at 10 a.m.

**EXECUTIVE SESSION:**

**11. CLOSED SESSION:**

**Conference with legal counsel: Anticipated Litigation**

**Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9**

**Existing facts or circumstances: Allegations made to the County of San Benito that the District's land tax expires forty years after the date of a loan by the United States to the District**

**Number of potential cases: 1**

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

**12. Reconvene in open session to report action, if any**

*(The Board reconvened in Open Session at 7:08 p.m.)*

President Tonascia reported the Board, in Closed Session, unanimously agreed to accept and forward the legal memo to San Benito County, upon finalization.

**13. Adjournment**

With no further business, the meeting was adjourned at 7:09 p.m.

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Minutes were approved at the March 21, 2018 Board meeting and signed by the presiding board member.

*/s/Joe Tonascia*  
Joe Tonascia, President

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