

April 30, 2025
Regular Meeting
5:02 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, April 30, 2025 at 5:02 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Doug Williams, Vice President Mark Wright and Directors Sonny Flores and Joe Tonascia; Director John Freeman was absent. Also present were General Manager Dana Jacobson, District Counsel Jeremy T. Liem, Assistant General Manager Brett Miller, Operations and Maintenance Manager Michael Craig, Senior Engineer David Macdonald, Water Conservation Program Manager Jennifer Arellano, Executive Assistant/Board Clerk Barbara Mauro, Jeff Cattaneo and other members of District staff.

CALL TO ORDER

President Williams called the meeting to order at 5:02 p.m.

- a. **Pledge of Allegiance to the Flag**
President Williams led the Pledge of Allegiance.
- b. **Roll Call**
Mrs. Mauro called roll. Members present were: President Williams, Vice President Wright and Directors Flores and Tonascia; Director Freeman 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 Director Tonascia and a second by Director Flores, the Agenda was approved by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.
- 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: | March 26, 2025 | Regular Meeting |
| | | April 9, 2025 | Special Meeting |
| | | April 16, 2025 | Special Meeting |
| 2. | Allowance of Claims | | |
| 3. | Acknowledgement of Paid Claims prior to the April Board Meeting | | |
| 4. | Acceptance of Quarterly Investment Report, March 31, 2025 | | |
| 5. | On Call Contracts – Status Updates | | |
| 6. | Consider Amendment to December 18, 2024 Agreement with C. Overaa & Co. Regarding West Hills Water Treatment Plant Expansion Project and Authorizing General Manager to Execute Such Amendment | | |

There were no questions, so a motion was made by Director Tonascia and seconded by Vice President Wright; the Consent Agenda was approved by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.

REGULAR AGENDA

7. Recognizing Anne Stull for 30 Years of Service, Certificate Issued

Alison Navarro, Mrs. Stull's daughter, spoke on behalf of her family, congratulating her mother on this milestone. Mr. Jacobson also thanked her for all her service to the District and for being the face to our Ag customers. President Williams presented Mrs. Stull with a plaque commemorating her 30 years of service and thanked her on behalf of the Board.

With a motion by Director Flores and a second by Director Tonascia, the Board of Directors approved Recognizing Anne Stull for 30 years of service by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.

8. Recognizing Michael Craig for 20 Years of Service, Certificate Issued

Mr. Jacobson stated Mr. Craig is a true success story and the District is lucky to have him. He added he is a true asset. President Williams thanked Mr. Craig for his 20 years of service. Mr. Jacobson presented Mr. Craig with a plaque commemorating his 20 years of service.

With a motion by Director Tonascia and a second by Vice President Wright, the Board of Directors approved Recognizing Michael Craig for 20 years of service by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.

9. Consider Resolutions of the San Benito County Water District and San Benito County Water District Financing Authority Approving the Installment Sale Financing to Provide Financing of Water System Improvements for Zone 6 Accelerated Drought Response Project (NTE \$42,000,000)

Mr. Miller stated about eight months ago, the Board discussed the need for bonds for the ADRoP Project for approximately \$40 million. This morning, the S & P gave the District an AA- rating. He then introduced Eileen Gallagher of Stifel, who will give a PowerPoint Presentation on the bonds.

Ms. Gallagher stated the District has been awarded approximately \$20 million in grant funds for this project and will be taking out approximately \$40 million in water revenue bonds. A JPA has been formed as the San Benito County Water District Water Authority. Ms. Gallagher reviewed how the bonds will be issued and repaid and the Board will be the Financing Authority. She further reviewed the members of the Financing Team and the Key Steps.

Ms. Gallagher stated if the Board approves this tonight, she stated what would be the next steps. The Bond Closing will be the final step.

The Board's actions will be to approve the resolution acting as the Financing Authority for the Bonds and also approve a resolution on behalf of the District. She reviewed the documents which are: Installment Sale Agreement, Indenture of Trust, Official Statement, Disclosure Agreement and Bond Purchase Contract. Ms. Gallagher discussed

the current Muni Bonds and the current market condition. Anticipated bond closure is the end of May, 2025.

Mr. Miller stated the cost for government code disclosure, which is currently an estimate, is 1.3% or \$507,000.

Director Flores asked if there were any additional costs? Ms. Gallagher stated that's all included and will be in the bond proceeds. Director Flores further asked about the rate for the bonds. Ms. Gallagher stated due to the historic volatility of the market, the rate can go up or down.

Mr. Miller did add, this item comes before the Board with the Finance Committee's recommendation.

With no further questions from the Board and no questions from the public, a motion was made by Director Tonascia and seconded by Director Flores, the Board of Directors approved Resolution #2025-05 *A Resolution Approving (1) installment sale financing to provide financing of water system improvements and (2) financing documents and related official actions* by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.

With a motion by Director Flores and a second by Vice President Wright, the Board of Directors approved Resolution #2025-06 *A Resolution of the Board of Directors of the San Benito County Water District Financing Authority Approving (1) installment sale financing to provide financing of water system improvements, and (2) financing documents and related official actions* by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.

10. **Annual Groundwater Report 2024**

Mr. Jacobson gave a brief history on why the District produces a groundwater report annually and that in 2014 when SGMA (Sustainable Groundwater Management Act) was put in place, there is also a requirement to produce a report. The current report replaces the District's previous groundwater report and complies with the SGMA requirements. He then introduced Maureen Reilly from Todd Groundwater to present the report via a PowerPoint Presentation.

a. Presentation of Report

Ms. Reilly reviewed the SGMA requirements and stated this is the 4th report following the District's approval of the Groundwater Sustainability Plan. She then reviewed what the District Act requires and what SGMA requires and all that information is included in this report. There are 4 areas represented in the North San Benito Groundwater Basin. The report shows average conditions are up, the CVP allocation was good and the groundwater storage is also on the rise. She reviewed the conditions based on the monitoring wells and the numerical model was updated. Based on the SGMA requirements, Ms. Reilly stated no undesirable results were found and the basin is sustainable.

Ms. Reilly reviewed the District's current projects: B.F. Sisk Dam Raise Project, ADRoP, and the San Juan Bautista Regional Water and Wastewater solution.

Based on the report, the recommendations are: \$14.31 per acre foot groundwater charge for agriculture and municipal and industrial, continue groundwater production and replenishment, continue SGMA Implementation and the annual water demand/supply memo, due in June 2026. Ms. Reilly further stated the next steps would be the periodic evaluation which is due January 2027 which will review water quality, subsidence and interconnected surface water.

Vice President Wright asked about Open ET. Ms. Reilly stated that uses satellite data to measure evaporation and can be aimed at a particular crop and what that crop needs. Mr. Jacobson further added in absence of meter data, it is a good tool; over the next few months there will be more information on this topic.

b. Consider Acceptance of Annual Groundwater Report 2024

With no further questions from Directors or from the public, a motion was made by Director Tonascia and seconded by Director Flores; the Board of Directors accepted the Annual Groundwater Report 2024 by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.

11. Consider Extending the Contract for one additional year (Fiscal Year 2024-2025) with McGilloway, Ray, Brown, & Kaufman for auditing services

Mr. Miller stated the District is approaching the end of the fiscal year and with the audit on the horizon and the accounting staff implementing a new software, staff is recommending extending the auditing services for one additional year with our current auditor. He further stated the District has a good and established relationship with the current auditor. The District could prepare an RFP in January 2026. This item comes before the Board with the Finance Committee's recommendation as well.

With no questions from the Board or the public, there was a motion by Director Flores and a second by Director Tonascia; the Board of Directors approved extending the contract for one additional year (Fiscal Year 2024-2025) with McGilloway, Ray, Brown & Kaufman for auditing services, by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.

12. Consider Awarding a Contract to Corpro Companies, Inc for Installation of an Impressed Current Cathodic Protection System at the Lessalt Water Treatment Plant and Authorizing the General Manager to sign contract (NTE \$ 144,000)

Mr. Macdonald reviewed this item for the Board. The last time this was done at Lessalt was 2017. This process stops corrosion at the tanks. It is typical maintenance, similar to what the District has done for the Hollister Conduit, and it is a proven method. Staff is recommending going with Corpro Companies, Inc., as they were the lowest quote.

Discussion ensued about how often this will need to be done and also if the same will be needed at West Hills. West Hills uses another process, so this would be different. Mr. Cattaneo suggested obtaining a cost on a maintenance contract for the future.

With no further questions from Directors or the public, a motion was made by Director Flores and seconded by Vice President Wright; the Board of Directors awarded a contract to Corpro Companies, Inc for Installation of an Impressed Current Cathodic Protection System at the Lessalt Water Treatment Plant and Authorizing the General Manager to sign contract (NTE \$ 144,000) by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.

13. **Consider Salary increase for the District Engineer and Deputy District Engineer positions**

Mr. Miller reviewed this item for the Board. The recruiter the District is working with to fill these positions, has recommended increasing both salaries. Staff and the Personnel Committee are in agreement with the recruiter and is asking to increase the Deputy District Engineer position by 5% and to increase the District Engineer by 10%.

With no questions from the Directors or the public, a motion was made by Vice President Wright and seconded by Director Flores; the Board of Directors agreed to increase the salary for both the District Engineer (10%) and Deputy District Engineer (5%) Positions by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.

14. **Consider Resolution Declaring May as Water Awareness Month**

Ms. Arellano reviewed this item for the Board. She gave a brief history on Water Awareness Month, dating back to the 1987-1992 drought. Using a PowerPoint Presentation, Ms. Arellano reviewed the programs offered through the Water Resources Association (WRA) and May being the start of the irrigation season coincides with WAM. She reviewed indoor/outdoor conservation, toilet replacements, home water surveys, turf removal program and her use of social media platforms. Ms. Arellano added approximately 100,000 square feet of turf have been replaced so far.

With no further questions from the Board or the public, the Board of Directors approved Resolution #2025-08, *A Resolution of the Board of Directors of the San Benito County Water District Declaring May as Water Awareness Month* by 4 affirmative votes, Williams, Wright, Flores and Tonascia and there was 1 absence, Freeman.

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

- a. **San Luis and Delta-Mendota Water Authority (Tonascia/Jacobson)**
As per Director Tonascia, this will be covered under the Manager's Report.
- b. **Pajaro River Watershed Flood Prevention Authority (Flores/Wright)**
As per Director Flores, the meeting was cancelled.
- c. **Water Resources Association (Flores/Freeman)**
As per Director Flores, general business was discussed.

- d. **Finance Committee (Tonascia/Freeman)**
As per Director Tonascia, this has already been covered.
 - e. **Investment Committee (Flores/Williams)**
As per Directors Flores and Williams, they reviewed the quarterly report.
 - f. **Personnel Committee (Flores/Tonascia)**
As per Directors Flores and Tonascia, this has already been covered.
 - g. **Zone 6 Water Supply & Operations Committee (Tonascia/Wright)**
As per Directors Tonascia and Wright, this has already been covered.
16. **Monthly Operations and Maintenance Report**
Mr. Craig reported San Justo Reservoir is at 492.6' and the District is currently running reverse flow so the reservoir can be brought back down to 485'. On April 8th, District staff opened Hernandez and began releasing into Paicines and the outlet was opened and began releasing into Tres Pinos Creek, but Mr. Craig acknowledged there is a small leak. President Williams added there is another leak a little further down as well. Mr. Craig also reported last month the District began percolating near the frog ponds and the Tres Pinos area. On May 9th, the Department of Safety of Dams (DSOD) have scheduled their annual inspection of Hernandez and Paicines. He will be relieved not to have a write-up for the valve at Hernandez, now that it has been repaired.
17. **General Manager's Report:**
- a. **Reach 1 Operations**
Mr. Jacobson stated he had nothing to report at this time.
 - b. **Zone 3 Operations**
Mr. Jacobson stated Mr. Craig has covered this already.
 - c. **Zone 6 Operations**
Mr. Jacobson reported the USBR increased the AG allocation to 50%.
 - d. **Accelerated Drought Response Project (ADRoP)**
Mr. Jacobson reported the West Hills expansion work will begin construction soon; the contractor has begun mobilization. There are two well contracts out to bid; each requesting 2 wells plus 1 optional. The plan is to have two rigs on-site at one time. The bid opening for these contracts is May 15th. Director Flores asked if all the well easement agreements are complete. Mr. Jacobson reported there is still some negotiation being done, but staff is hoping by the May board meeting. The Water Supply and Treatment Agreement (WSTA) is getting close to a point to share/negotiate with the other agencies. Instead of an amendment, staff and special counsel are creating a new agreement and this will include the ADRoP project and adding the City of San Juan Bautista.
 - e. **San Luis and Delta-Mendota Water Authority Activities**
Mr. Jacobson didn't have anything to report on the Authority. However, the Acting Regional Manager and his assistant were at the meeting. They expressed concern about the number of staff leaving the USBR as it may cause delays in maintenance

and operations. There is also an upcoming workshop on Subsidence, which he will report on when more information is available.

f. City of San Juan Bautista Water Supply Plan

Mr. Jacobson reported District staff continues to work with City's staff and have a verbal agreement. Once the District has a draft of the new WSTA, he will share that and begin negotiations with them as well. Mr. Miller and the City's consultant had a meeting that went well.

g. B F Sisk Dam Raise Project

Mr. Jacobson reported there is nothing to report on the project itself. However, he did report that the capacity fee is moving forward. Depending on what is required, the draft ordinance may be on the May board agenda. Vice President Wright asked if it goes into effect immediately; Mr. Jacobson said, he believes 30 days after approval.

h. Miscellaneous District items

Mr. Jacobson reported he has signed 2 contracts, that were within his authority. The first was for WRA for Cupertino Marketing for approximately \$29,000 and was in their budget. The second is related to the IRWMP Grant. The District is the grantee and there were 2 sub-agreements that needed to be signed; 1 for Resource Conservation District of Santa Cruz and Santa Clara Valley Water District.

18. **CLOSED SESSION: Conference with Legal Counsel-Existing litigation
Government Code § 54956.9(d)(1)**

Kurasaki vs. Caltrans *et al*; San Benito County

As per Mr. Liem, there is nothing to report on this item, so there is no need for a Closed Session.

19. **OPEN SESSION:
Report any actions, if any, from Closed Session item**

N/A.

20. **Adjournment**

With nothing further to discuss, the meeting was adjourned at 6:33 p.m.

Minutes were approved at the May 28, 2025 Board meeting and signed by the presiding board member.

/s/Doug Williams
Doug Williams, President

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