

May 28, 2025
Regular Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, May 28, 2025 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Doug Williams, and Directors Sonny Flores, John Freeman and Joe Tonascia; Vice President Mark Wright 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, Supervising Accountant Cindy Paine, Office Specialist I Shannon Darnall, Executive Assistant/Board Clerk Barbara Mauro and Jeff Cattaneo.

CALL TO ORDER

President Williams called the meeting to order at 5:00 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, and Directors Flores, Freeman and Tonascia; Vice President Wright 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 Flores and a second by Director Freeman, the Board approved the Agenda with 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absence, Wright.

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: | Regular Meeting | April 30, 2025 |
| 2. | Allowance of Claims | | |
| 3. | Acknowledgement of Paid Claims prior to the May Board Meeting | | |
| 4. | On Call Contracts – Status Updates | | |
| 5. | Consider Resolution for Salary and Compensation for the Management/Confidential/Professional Employee Group | | |
| 6. | Consider Resolution regarding Salary and Compensation for the Executive Management Group | | |
| 7. | Consider Resolution Adopting the 2024-2025 Salary Schedule to comply with California Public Employees' Retirement System (CALPERS) statutory and regulatory requirements for compensation earnable and publicly available pay schedules | | |

With a motion by Director Tonascia and a second by Director Flores, the Board approved the Consent Agenda with 3 affirmative votes, Williams, Flores and Tonascia, 1 abstention, Freeman and 1 absence, Wright.

REGULAR AGENDA

8. **Recognizing David Macdonald for 10 Years of Service, Certificate Issued**

Mr. Jacobson thanked Mr. Macdonald for his service and stated he is playing a key role in the ADRoP Project and presented him with a plaque commemorating his service. With a motion by Director Flores and a second by Director Tonascia, the Board of Directors approved Recognizing David Macdonald for 10 Years of Service, with 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absence, Wright.

9. **Consider Approval of Ordinance Establishing Capacity Fees within the District's Zone 6 Service Area, First Reading**

Mr. Miller reviewed this item for the Board. This fee would be for new service connections in Zone 6, based on growth. The Board can choose to waive the 1st reading and then the second reading can be at the June board meeting. Mr. Miller further stated this item comes with the recommendation of the Finance Committee.

Director Flores stated the ordinance describes payment is to be made in 2 equal installments. He suggested having the customer make 1 payment, at the time the permit is issued.

Mr. Miller stated staff has no issue making that change, however; a special meeting would need to be held as soon as feasible, to have the first reading of the revised ordinance. Directors Freeman, Tonascia and Williams all agreed with Director Flores' recommendation for 1 payment. The Board agreed to table this item and hold a special meeting to consider the first reading.

Mr. Cattaneo asked Mr. Frink if the first reading can be held at a special meeting. Mr. Frink stated yes, it can be considered at a Special Meeting, as long as it is noticed with 72 hours' notice, to comply with the Brown Act. The first reading must occur at least 5 days prior to the second reading and the second reading is scheduled to be held at the June 25, 2025 Board meeting, so that also complies. District Counsel asked if there were any public comments; there were none. The Board agreed to have a special meeting next week; Mrs. Mauro to poll the board and get the meeting scheduled.

10. **2025-2026 District Budget**

- a. **Presentation of 2025-2026 District Budget** Mr. Miller, using a PowerPoint presentation, gave an overview of the 2025-2026 Budget for the Board. He stated this comes to the Board with a recommendation from the Finance Committee and the Board's action would be to approve the budget. Mr. Miller began by reviewing the Operating Budget, first by Zone and then by category. He then reviewed the Capital Budget and explained the projects contained in the Capital Budget. Discussion ensued about the eye wash station at the West Hills Water Treatment Plant. Mr. Jacobson added staff is looking at this item and reviewing the cost.

b. Consider Board Approval of 2025-2026 District Budget

With no further questions from the Board, a motion was made by Director Freeman and seconded by Director Tonascia; the Board of Directors approved the 2025-2026 District Budget with 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absence, Wright.

11. Consider Amending Resolution 2024-33 Regarding the District Policy on Restriction and Designation of District Net Assets/Cash

Mr. Miller reviewed this item for the Board and stated it is part of the budget process. The only change is in the reserve for expenses for the Operating Budget. Currently, the reserve is for 50% of 3 years of expenses. Because the District has a single revenue source, unlike a city or county, staff is recommending raising the reserve to 100% but phasing it in over 3 years. Director Flores asked what a ballpark amount would be. Mr. Miller stated if at 100%, \$4-5 million, which would be held in an interest-bearing account.

With no further questions, a motion was made by Director Flores and seconded by Director Freeman; the Board of Directors approved Resolution # 2025-12 *A Resolution of the Board of Directors of the San Benito County Water District Amending Resolution #2024-33 Regarding the District Policy on Restriction and Designation of District Net Assets/Cash* with 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absence, Wright.

12. Consider Authorizing the Board President to Execute the San Luis & Delta-Mendota Water Authority Yuba Transfers 2026-2050 Activity Agreement and Authorizing the General Manager to Terminate the Existing Activity Agreement

Mr. Jacobson reviewed this item for the Board. He summarized the current agreement and reported this agreement has worked well for the District in the past. It includes administrative costs which are in addition to the cost of the water, which is below market rates. The new agreement, per Mr. Jacobson, is still being negotiated for the amount of water and its cost. The District will still have the option to opt in or out annually to purchase the water, but the administrative costs would remain. If DWR and Yuba cannot make it work out, the Board could withdraw from the agreement, if they chose to.

With a motion by Director Tonascia and a second by Director Flores, the Board of Directors Authorized the Board President to Execute the San Luis & Delta-Mendota Water Authority Yuba Transfers 2026-2050 Activity Agreement and Authorized the General Manager to Terminate the Existing Activity Agreement with 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absence, Wright.

13. Lessalt Water Treatment Plant

a. Consider Awarding a Contract to SafeSmart LLC in the Amount of \$56,736 for Materials for Tank Access Catwalks at the Lessalt Water Treatment Plant

Mr. Macdonald reviewed this item for the Board. When Sunnyslope County Water District staff are doing maintenance on the tanks, the current way presents a safety issue for them. This would be a permanent structure and there is \$105,000 in the budget for this item. Sunnyslope sent out two Request for Quotes; one for the materials only and one for the installation of the catwalks. This item is for the materials. SafeSmart was the low bid at \$56,736. Mr. Macdonald stated this would be a part of the maintenance agreement the District has with Sunnyslope County Water District.

With a motion by Director Tonascia and a second by Director Freeman, the Board of Directors Awarded a Contract to SafeSmart LLC in the Amount of \$56,736 for Materials for Tank Access Catwalks at the Lessalt Water Treatment Plant with 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absence, Wright.

b. Consider Approval for Sunnyslope County Water District to perform Construction of the Tank Access Catwalks at the Lessalt Water Treatment Plant (NTE \$22,400)

Mr. Macdonald also reviewed this item. This is for the installation of the catwalks. There were no responses received for the RFQ, so Sunnyslope County Water District proposed installing the catwalks with their staff. Mr. Liem stated the correct amount is \$22,440.

With a motion by Director Tonascia and a second by Director Freeman, the Board of Directors Approved for Sunnyslope County Water District to perform Construction of the Tank Access Catwalks at the Lessalt Water Treatment Plant (NTE \$22,440) with 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absence, Wright.

(For agenda items #14 and #15, Director Williams recused himself and Director Tonascia ran the meeting for these two items)

14. Consider Awarding a Contract to Pacific Coast Well Drilling, Inc. for the North San Benito Accelerated Drought Response Project (ADRoP) for Aquifer Storage and Recovery (ASR) Well 2, 4 and Optional Well 1 Construction and Authorize General Manager to execute all necessary documents (NTE \$ 3,701,922)

Mr. Macdonald reviewed this item for the Board. When the District has excess water, it could be stored in an ASR well. The District went out to bid for drilling 2 wells and 1 additional well, in the Fallon Road area. The bids received were competitive and below the engineer's estimate. There was a wrong number on all the bids and the not to exceed number has been updated. Mr. Macdonald added the bid from Pacific Coast Well Drilling, Inc. is 15% below the engineer's estimate. Staff is recommending the Board approve both contracts (#14 & #15) and begin by drilling one well, testing it and then proceeding to the other wells once everyone is satisfied with how the first one is performing.

Mr. Jacobson added the \$3,701,922 is the correct number.

Director Tonascia asked why there are two different numbers on the transmittal. Mr. Macdonald stated the higher number includes the 5% contingency amount.

Director Freeman asked, if only 2 wells are drilled, where do the additional funds go? Mr. Miller stated, back to our reserves. Mr. Macdonald added, agenda items #14 and #15 are similar.

With a motion by Director Flores and a second by Director Freeman, the Board of Directors Awarded a Contract to Pacific Coast Well Drilling, Inc. for the North San Benito Accelerated Drought Response Project (ADRoP) for Aquifer Storage and Recovery (ASR) Well 2, 4 and Optional Well 1 Construction and Authorized the General Manager to execute all necessary documents (NTE \$ 3,701,922) with 3 affirmative votes, Flores, Freeman and Tonascia, 1 recused, Williams and 1 absence, Wright.

15. **Consider Awarding a Contract to Pacific Coast Well Drilling for the North San Benito Accelerated Drought Response Project (ADRoP) for Aquifer Storage and Recovery (ASR) Well 3, 5 and Optional Well 1 Construction and Authorize General Manager to execute all necessary documents (NTE \$3,762,822)**

Mr. Macdonald also reviewed this for the Board. He stated this is similar to #14, but the contractor will delay starting this until all are satisfied when the first well is drilled and tested. The low bidder on this bid is also Pacific Coast Well Drilling and the bid was 13% below the engineer's estimate.

Director Tonascia asked why this contract is higher. Mr. Macdonald stated it is because of the location of the well and possible sound mitigation during drilling. Mr. Cattaneo added, one of the wells would be between 2 homes and a temporary pipe would need to be laid so the water could go to the drainage ditch.

With a motion by Director Flores and a second by Director Freeman, the Board of Directors Awarded a Contract to Pacific Coast Well Drilling for the North San Benito Accelerated Drought Response Project (ADRoP) for Aquifer Storage and Recovery (ASR) Well 3, 5 and Optional Well 1 Construction and Authorized the General Manager to execute all necessary documents (NTE \$3,762,822) with 3 affirmative votes, Flores, Freeman and Tonascia, 1 recused, Williams and 1 absence, Wright.

(Following the votes on agenda items #14 and #15, Director Williams returned to the meeting)

16. **Consider Authorizing the General Manager to Execute a Contract with Kennedy/Jenks Inc. Consultants for Construction Management Services related to Phase 2 of the Accelerated Drought Response Project (ADRoP) (NTE \$2,388,128)**
Mr. Cattaneo reviewed this item for the Board. He stated Kennedy/Jenks is the current construction manager on the West Hills expansion project. Staff is recommending the Board have Kennedy/Jenks continue on Phase 2 of the ADRoP Project. The other option would be to have the design engineer (HDR) do the construction management, but to prevent a possible conflict of interest, staff is more comfortable having another firm manage a project that they didn't also design.

With a motion by Director Tonascia and a second by Director Flores, the Board of Directors Authorized the General Manager to Execute a Contract with Kennedy/Jenks Inc. Consultants for Construction Management Services related to Phase 2 of the Accelerated Drought Response Project (ADRoP) (NTE \$2,388,128) with 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absence, Wright.

17. **Consider Authorizing the General Manager to Execute a Contract with Todd Groundwater for Professional Services associated with the Accelerated Drought Response Project (ADRoP) Well Construction, Fallon Road (NTE \$472,540)**

Mr. Cattaneo reviewed this item for the Board. He stated this is also related to the ADRoP Project. Approved earlier in the meeting, the District needs someone to manage the well drilling contracts. Todd Groundwater developed the project and would be able to work with the drillers, collect and test samples and review the well pump testing.

With a motion by Director Tonascia and a second by Director Freeman, the Board of Directors Authorized the General Manager to Execute a Contract with Todd Groundwater for Professional Services associated with the Accelerated Drought Response Project (ADRoP) Well Construction, Fallon Road (NTE \$472,540) with 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absence, Wright.

18. **Consider Resolution for the San Benito County Water District, Acting as the Groundwater Sustainability Agency for the North San Benito Groundwater Basin, Requesting the County of San Benito to Collect a Groundwater Management Fee on the Property Tax Rolls**

Mr. Miller reviewed this item for the Board. He stated this is an annual action by the Board to have San Benito County add the Groundwater Management Fee (GMF) to the property tax rolls. There are 3166 parcels, and the total is \$471,432; which is an estimate, and the final number will be sent to the County. Mr. Miller added, this comes with a recommendation from the Finance Committee.

With a motion by Director Tonascia and a second by Director Flores, the Board of Directors approved Resolution #2025-13, *A Resolution of the Board of Directors of the San Benito County Water District, Acting as the Groundwater Sustainability Agency for the North San Benito Groundwater Basin, Requesting the County of San Benito to Collect a Groundwater Management Fee on the Property Tax Rolls* with 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absence, Wright.

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

a. **San Luis and Delta-Mendota Water Authority (Tonascia/Jacobson)**
As per Director Tonascia, Mr. Jacobson can cover under his manager's report.

b. **Water Resources Association (Flores/Freeman)**
As per Director Flores, general business was discussed.

c. **Association of California Water Agencies—Joint Powers Insurance Authority, Spring Conference/Board of Directors Meeting, Monterey, California (Freeman)**
As per Mr. Miller, the primary activity was electing new board members.

- d. Association of California Water Agencies—Spring Conference, Monterey, California (Freeman, Tonascia, Jacobson, Miller)**
As per Director Freeman, he found the conference and seminars very interesting and expressed interest in becoming a member of the Energy Committee and the Water Quality Committee. Director Tonascia is a member of the Ag Committee, which he attended. Topics discussed at the conference were the mussels and how to comply with the electric vehicle mandate. Mr. Jacobson found the conference to be good and a great way to make connections.
 - e. Finance Committee (Williams*/Freeman)**
As per Directors Freeman and Williams, this has already been covered.
 - f. Zone 6 Water Supply & Operations Committee (Williams*/Wright)**
As per Directors Williams and Wright, this has already been covered.
- 20. Monthly Operations and Maintenance Report**
Mr. Craig reported San Justo is currently at 484.5' and the District is operating off reverse flow until June 9th or 10th. Valley Water is doing electrical and cement work, but it will be done the first week of June. Hernandez and Paicines Reservoirs are both at dead pool, as all water has been released. District staff is currently mowing at both Paicines and Hernandez. The Department of Safety of Dams (DSOD) did their annual inspections at Hernandez and Paicines and had high praise for the valves working at Hernandez. Both inspections went well. District staff repaired 4 leaks this month and the 2 16" clay valves arrived today, and he will work on scheduling their installation.
- 21. General Manager's Report:**
 - a. Reach 1 Operations**
Mr. Jacobson reported a meeting was held with Valley Water regarding the Pacheco Pumping Plant.
 - b. Zone 3 Operations**
Mr. Jacobson reported Mr. Craig covered everything in Zone 3.
 - c. Zone 6 Operations**
Mr. Jacobson reported the Bureau increased the Ag allocation to 55% and the M & I allocation to 80%. He further reported the District will be able to refill San Justo Reservoir, San Luis Reservoir (our portion) and percolate.
 - d. Accelerated Drought Response Project (ADRoP)**
Mr. Jacobson reported the project is moving along. Work has begun at West Hills, but the wait continues for the final permit. Regarding the two well contracts approved earlier, work should begin in early July and easements should be on the June agenda. Mr. Jacobson reported staff is working to schedule a meeting at the Epicenter downtown to offer the public information on the project; likely in late June or early July.

e. San Luis and Delta-Mendota Water Authority Activities

Mr. Jacobson reported at the May 8th meeting, the hot topic was the Subsidence Project as there is a cost allocation and conveyance issue.

f. City of San Juan Bautista Water Supply Plan

Mr. Jacobson reported staff is working on a series of agreements. The Water Supply and Treatment Agreement is nearing completion. There will also be a reimbursement agreement to build the turnout at West Hills WTP and then an O & M Agreement for the District to maintain the pipeline.

g. B F Sisk Dam Raise Project

Mr. Jacobson reported they are still working on the agreement with the Bureau.

h. Miscellaneous District items

Mr. Miller reported last Monday, he and Mrs. Paine attended a meeting where the underwriter issued our bonds for \$37 million, which will be available in June. Mr. Miller thanked staff and the Board for all the work to get this completed.

22. **CLOSED SESSION: Conference with Legal Counsel-Existing litigation
Government Code § 54956.9(d)(1)
Kurasaki vs. Caltrans et al; San Benito County**

23. **CLOSED SESSION: Conference with Legal Counsel-Anticipated litigation
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d)
of Section 54956.9: one case**

(The Board convened in Closed Session at 6:23 p.m.)

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

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

President Williams called the meeting back into Open Session and stated there was no action to report on either Closed Session items.

25. **Adjournment**

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

Minutes were approved at the June 25, 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

