

November 19, 2025
Regular Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, November 19, 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, Vice President Mark Wright and Directors Sonny Flores, John Freeman and Joe Tonascia. 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, Office Specialist II Shannon Darnall and Executive Assistant/Board Clerk Barbara Mauro. Jeff Cattaneo participated via Zoom.

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, Vice President Wright and Directors Flores, Freeman and Tonascia.
- 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 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.
- 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: October 29, 2025 Regular Meeting**
- 2. **Allowance of Claims**
A discussion about a \$1.8 million progress payment for well drilling was held, with Mr. Cattaneo explaining it was for wells 1 through 4 and work was nearly complete on installing casing for Well 3.
- 3. **Acknowledgement of Paid Claims prior to the November Board Meeting**
- 4. **On Call Contracts – Status Updates**
- 5. **Water Resources Association-Water Conservation Program Manager’s Report June-September 2025**
With no further questions, a motion was made by Director Freeman and a second by Vice President Wright, the Consent Agenda was approved by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

REGULAR AGENDA

6. **San Benito LAFCO Regional Wastewater Services Municipal Service Review Governance Structure Options presentation by Jennifer Stephenson, Policy Consulting Associates, LLC.**

Jennifer Stephenson, Executive Officer of San Benito LAFCO, presented the draft final version of the Regional Wastewater Municipal Service Review, highlighting key issues such as out-of-area wastewater connections, inconsistent use of terms, and coordination challenges. She outlined various governance structure options, including regional approaches, Hollister-focused solutions, and proxy service models. The board discussed the options and agreed to consider them further, with SBCWD expressing a preference for a Joint Powers Authority over a regional sanitation district. Ms. Stephenson requested written feedback on the options, particularly regarding San Benito County Water District's potential involvement in wastewater services. The Board discussed Ms. Stevenson's presentation on recommendations and options, deciding to use the existing governance committee to review these topics rather than establishing a new ad hoc committee.

7. **Consider Approval of Ordinance Repealing and Reestablishing Capacity Fees within the District's Zone 6 Service Area, First Reading**

The Board reviewed Ordinance 67, which repeals Ordinance 66 due to a notification issue with the Building Industry Association and reestablishes the water capacity fee for new connections in Zone 6. The fee amount is set at \$12,327 per equivalent meter, with the revenue expected to generate approximately \$115 million to fund water supply expansion needs. A public hearing for the second reading and adoption of Ordinance 67 is scheduled for December 17, 2025.

Dennis Martin, representing BIA, criticized SBCWD for inadequate notification regarding a new capacity fee of \$12,327 on new single-family homes in zone 6, noting that the required 14-day notification was not provided. He requested that the district include previous communications and a peer review analysis in the agenda packet, highlighting concerns about the fee study's deficiencies. Mr. Martin emphasized that the fee would unfairly burden approved housing projects and proposed a solution allowing prepayment of fees before February 16, 2026, to avoid the new charges.

The board discussed the legal adequacy of notice provided to the BIA regarding capacity fees, acknowledging a delay due to insufficient notice. Russell Frink, of Kronick, Moscovitz, Tiedemann and Girard, explained that the district relies on 2023 master plan numbers for water and wastewater services, which are legally sound and not up for challenge in this forum. Mr. Martin clarified that Mr. Gomez is not a BIA representative, and the BIA provided materials to the board president, clerk, and general manager. The board agreed to move forward with the second reading of the fee ordinance, with staff emphasizing the need to be prepared for growth and the potential for increased fees if implementation is delayed. Mr. Cattaneo raised concerns about incorrect assumptions in the BIA report, and Mr. Martin requested consideration for allowing approved final map units to pay fees under the old regime, estimating this would forego about 2% of total fees.

With a motion by Director Tonascia and seconded by Director Freeman, by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia, the Board agreed to introduce Proposed Ordinance 67, waiving its reading and setting a second reading and public hearing for December 17, 2025. They agreed to proceed with the current fee structure while leaving room for future amendments to address concerns about unit size and water usage. Mr. Frink confirmed that the ordinance could be amended after adoption to accommodate these concerns.

8. **Publicly Review and Receive Comments Regarding the 2025 Zone 6 Water, Groundwater and Recycled Water Cost of Service Study and Proposed Rate Schedule**

Teresa Jurotich from Raftelis presented the study on the 2025 Zone 6 Water, Groundwater and Recycled Water Cost of Service Study and Proposed Rate Schedule, which included cost allocations, financial planning, and proposed rates for the next three years. The study assumes 3% annual escalation for general items, 2.5% for salary and benefits, and 3.5% for utilities, among other factors. Proposed rates for agricultural, M&I, groundwater, and recycled water were presented, with overall decreases in some areas due to lower costs of stored and acquired water. The next step would be to adopt the proposed rates for a three-year period prior to the beginning of the water year in March 2026.

With a motion by Director Tonascia and a second by Vice President Wright, the Board agreed to accept the 2025 Zone 6 Water, Groundwater and Recycled Water Cost of Service Study and Proposed Rate Schedule by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

9. **Consider Resolution Approving Proposition 218 Procedures for Zone 6 Water, Groundwater and Recycled Water Rates Proposed to be Effective on March 1, 2026**

Mr. Miller reviewed this item for the Board. With a motion by Director Tonascia and a second by Director Freeman, the Board approved Resolution #2025-17 *A Resolution of the Board of Directors of the San Benito County Water District Approving Proposition 218 Procedures for Zone 6 Water, Groundwater and Recycled Water Rates Proposed to be Effective on March 1, 2026* including the 45-day public review period, beginning with the December 3, 2025 mailing and incorporating new procedures required by Assembly Bill 2257, including written objections and public hearing requirements; by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

10. **Consider Authorizing the Board President to Execute the Agreement for Expense Reimbursement between the Sunnyslope County Water District and the San Benito County Water District for Improvements Pertaining to the Sunnyslope County Water District Water System Consolidation Project**

Mr. Jacobson reviewed this item for the Board.

With a motion by Director Flores and a second by Vice President Wright, the Board authorized the Board President, by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia, to execute a reimbursement agreement with Sunnyslope County Water District for a joint pipeline replacement project estimated at \$1.4 million, with

costs to be determined after bid opening tomorrow and to be approved at the December meeting.

11. **Consider Authorizing the General Manager to Execute the 2025 CVP Water Transfer Agreement between the Santa Clara Valley Water District and the San Benito County Water District**

Mr. Jacobson reviewed this item for the Board, explaining the \$215.97 per acre-foot cost and \$105,000 revenue reduction for water transfers in 2025. With a motion by Director Tonascia and a second by Vice President Wright, the Board authorized the General Manager to Execute the 2025 CVP Water Transfer Agreement between the Santa Clara Valley Water District and the San Benito County Water District by 4 affirmative votes, Williams, Wright, Freeman, and Tonascia, and one negative vote, Flores.

12. **Consider Approval of a Non-Financial Worksite Agreement between San Benito County and San Benito County Water District for the Workforce Innovation and Opportunity Act (WOIA) and Work Experience Program (WEX)**

Mr. Miller reviewed this item for the Board. With a motion by Director Flores and a second by Director Freeman, by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia, the Board approved a non-financial worksite agreement between San Benito County and San Benito County Water District for up to 6 trainees, with Mr. Miller explaining district responsibilities and pay rates.

13. **Consider Resolution Approving Retired Annuitant Employment Agreement with Jeffrey Cattaneo**

Mr. Jacobson reviewed this item, highlighting Mr. Cattaneo's valuable expertise in ongoing projects. With a motion by Director Tonascia and a second by Director Freeman, the Board of Directors approved Resolution 2025-18, *A Resolution of the Board of Directors of the San Benito County Water District Approving Retired Annuitant Employment Agreement with Jeffrey Cattaneo* by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

14. **Discuss the San Benito County Water District Community Outreach Plan**

Mr. Jacobson presented a community outreach plan including social media, community events, print advertisements, and other initiatives to increase public awareness of the district's role and services.

15. **Government Finance Officers Association (GFOA) Award of Excellence Acknowledgement**

Mr. Miller reported the District received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the 13th consecutive year, with staff and the board being acknowledged for their contributions.

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

a. **San Luis and Delta-Mendota Water Authority (Tonascia/Jacobson)**

As per Director Tonascia, he didn't attend the meeting, so Mr. Jacobson will cover under his report.

- b. **Pajaro River Watershed Flood Prevention Authority (Flores/Wright)**
As per Director Flores, this meeting was not held.
 - c. **Administration Committee (Flores/Williams)**
As per Directors Flores and Williams, it has already been covered.
 - d. **Finance Committee (Freeman/Tonascia)**
As per Directors Freeman and Tonascia, it has already been covered.
 - e. **Personnel Committee (Flores/Tonascia)**
As per Directors Flores and Tonascia, it was 1 closed session item.
 - f. **Zone 6 Water Supply & Operations Committee (Tonascia/Wright)**
As per Directors Tonascia and Wright, it has already been covered.
- 17. **Monthly Operations and Maintenance Report**
Mr. Craig reported on District operations including the completion of canal stabilization and plans for meter and check valve replacements.
- 18. **General Manager's Report:**
 - a. **Reach 1 Operations**
Mr. Jacobson did not have a report on this item.
 - b. **Zone 3 Operations**
Mr. Jacobson did not have any further updates besides Mr. Craig's report.
 - c. **Zone 6 Operations**
Mr. Jacobson did not have a report on this item.
 - d. **Accelerated Drought Response Project (ADRoP)**
Mr. Jacobson reported the project is progressing despite weather delays. Mr. Jacobson reported that an obstruction in the gravel feed tube for Well 4 has been discovered and staff is working with Pacific Coast Drilling to resolve the issue.
 - e. **San Luis and Delta-Mendota Water Authority Activities**
Mr. Jacobson reported on the Authority's budget, including a significant increase in the CIP budget due to major projects. Mr. Jacobson further reported the Authority approved a cost allocation methodology for the DMC subsidence project and mentioned that a renewal with the San Joaquin River Exchange Contractors water transfer agreement is in progress.
 - f. **City of San Juan Bautista Water Supply Plan**
Mr. Jacobson did not have a report on this item.
 - g. **B F Sisk Dam Raise Project**
Mr. Jacobson did not have a report on this item.
 - h. **Sustainable Groundwater Management Act Compliance**
Mr. Jacobson reported the District will be restarting the TAC meetings, beginning in January and a meeting of the District's GSA Committee is scheduled for December 8th.

i. Miscellaneous District items

Mr. Jacobson did not have a report on this item.

19. **CLOSED SESSION: Conference with Labor Negotiator
Pursuant to Government Code Section § 54957.6
CONFERENCE WITH LABOR NEGOTIATOR
Agency designated representative: Dana Jacobson
Unrepresented Employee: Assistant General Manager**

(The Board convened in Closed Session at 6:53 p.m.)

20. **OPEN SESSION: Report any action if any from Closed Session**

(The Board reconvened in Open Session at 7:00 p.m.)

Mr. Liem reported in Closed Session, a motion was made by Director Tonascia and seconded by Director Flores, the Board approved a new contract for Mr. Miller, increasing his annual salary to \$240,000, by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

21. **Adjournment**

With no further business to discuss, the meeting was adjourned at 7:01 p.m.

Minutes were approved at the December 17, 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