

**Special Meeting
January 11, 2006
7:30 p.m.**

The San Benito County Water District Board of Directors met in Special Session on Wednesday, January 11, 2006, at 7:30 p.m. at 30 Mansfield Road, Hollister, California. Members present were, President John Tobias, Vice-President Bob Swanson, Directors Ken Perry, Sonny Flores and Frank Bettencourt. Staff present, John S. Gregg, District Manager/Engineer, Jeff Cattaneo, Deputy District Engineer, Sara Singleton, Consultant, David E. Pipal, District Counsel, Cliff Thatcher, O&M Supervisor and Maria E. Alfaro, Administrative Services Officer.

President Tobias called the special meeting to order at 7:30 p.m. and lead the Pledge of Allegiance to the flag.

1. Proof of Publication submitted on Notice of Public Hearing

Administrative Services Officer Maria E. Alfaro noted that the notice for public hearing had been published in the Free Lance Newspaper on December 21 and 27, 2005.

2. Public Hearing regarding 2006-2007 Water Year Rates and Charges:

a. Presentation of 2006-2007 Water Rates and Charges

District Manager/Engineer John S. Gregg noted that he would be covering the material that was included in the board packets. The action tonight would be to conduct a public hearing which includes resolutions and an ordinance for consideration. Mr. Gregg noted that the board packet includes a memo from the Committee. Mr. Gregg noted that a copy of the 1977 ballot measure was provided to the board members. This authorized the District to enter into a contract with the USBR and to issue bonds or assume debt to operate and maintain the system. Mr. Gregg reviewed the Standby and Availability charges and noted that those will remain unchanged. Mr. Gregg noted that as we go forward, there is a difference between the contract rate. This year the Bureau changed its capital component and will now use historical averages, 5 years for irrigation and 10 years for municipal and industrial. Mr. Gregg noted that we are still negotiating a contract with the Bureau and those changes and increases in costs will be significant. The District has also considered shifting to Water Code 31007 as a guide to a more standard water industry rate basis. Mr. Gregg noted that the board packet includes the current rate base, revised and recommended. Mr. Gregg noted that the non-agricultural M& I rate basis and noted that the recommended rate is \$160, \$10 dollars more than the current rate. Mr. Gregg reviewed the power charges which include the CVP project use and noted that hydro power is less expensive than PG&E power. Director Perry asked why power charges went down. Mr. Gregg noted that actual PG&E power charges were used and noted that a few oddities had contributed to the charge, including the District being eligible for a rebate. Director Bettencourt asked if pump charges remained at \$150.00. Mr. Gregg noted that they did to encourage pumping.

b. Open Public Hearing

President Tobias opened the public hearing.

c. Close Public Hearing or continue to a later date

There being no comments from the public, President Tobias closed the public hearing.

3. Consider Adopting 2006-2007 Water Year Rates and Charges

a. Resolution Establishing Standby or Availability Charge for the 2006-2007 Water Year

Upon a motion duly made by Director Bettencourt and seconded by Director Flores, Resolution No. 2006-01, *A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT IMPLEMENTING A STANDBY OR AVAILABILITY CHARGE FOR THE 2006-2007 WATER YEAR*, was unanimously approved.

b. Ordinance Establishing San Felipe Distribution System Water Charges for Agricultural and Non-Agricultural (Municipal and Industrial) Water for the 2006-2007 Water Year

Upon a motion duly made by Director Flores and seconded by Director Perry, Ordinance No. 42, *AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT ESTABLISHING SAN FELIPE DISTRIBUTION SYSTEM WATER CHARGES FOR AGRICULTURAL AND NON-AGRICULTURAL WATER*, was unanimously approved.

c. Resolution Establishing Groundwater Charges in Zone 6 for the 2006-2007 Water Year

Upon a motion duly made by Director Bettencourt and seconded by Director Flores, Resolution No. 2006-02, *A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT ESTABLISHING GROUNDWATER CHARGES IN ZONE 6 FOR THE 2006-2007 WATER YEAR*, was unanimously approved.

4. Consider Authorizing District Manager to Execute Consulting Services Agreement with RMC for Pajaro River Watershed Groundwater Desalination Feasibility Study

Deputy District Engineer Jeff Cattaneo discussed the purpose of the Pajaro River Watershed Groundwater Desalination Feasibility Study. Mr. Cattaneo noted that the Groundwater Management Plan of 2004 also aids in reclamation. This study would look at brine management and evaluate membranes. Mr. Cattaneo noted that the Santa Clara Valley Water District is an equal partner with the District in this project and that the total grant amount was \$490,000, with \$122,500 coming from the District and the same amount from the Santa Clara Valley Water District. Director Tobias asked if it would exceed the \$446,000. Mr. Cattaneo noted that that amount was for RMC to conduct the study. Director Bettencourt noted that RMC had provided a good presentation to the Grants Committee. Mr. Cattaneo noted that Stanford was working with the Santa Clara Valley Water District on the D.R.I.P. project and under contract to design and pilot the membranes. Mr. Cattaneo noted that Lawrence Livermore Labs were looking at brine management technologies that looked at separating constituents from the brine. Director Swanson noted that the presentation by RMC was very informative and that the Committee had requested a summary of benefits and results. Director Swanson noted that this will be for future use and very beneficial to the community. Mr. Swanson review the summary information provided to the Directors, specifically item number 5, and noted that this is what we want to see at the end. Mr. Swanson noted that he had learned a lot from the presentation and should keep the Committee to review and follow up.

Upon a motion duly made by Director Flores and seconded by Director Bettencourt, the Board unanimously authorized District Manager to execute a consulting services agreement with RMC for the Pajaro River Watershed Groundwater Desalination Feasibility Study.

5. Consideration of Board Committees And Agency Representative Assignments

President Tobias noted that he had not made any changes to the Board Committees that things seemed to be working well as they are.

There being no further business, the meeting adjourned at 8:15 p.m.

John Tobias, President

Maria E. Alfaro
Administrative Services Officer