

**February 20, 2007**  
**Special Meeting**  
**7:30 p.m.**

The Board of Directors of the San Benito County Water District convened in special session on Tuesday, February 20, 2007 at 7:30 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Robert Swanson, Vice President Frank Bettencourt, Directors John Tobias and Sonny Flores. Director Ken Perry was absent. Also present were District Manager/Engineer John S. Gregg, District Counsel David E. Pipal, Administration and Finance Manager Shelley Giancola, Consultant Sara Singleton and Office Specialist II Barbara L. Mauro.

### **CALL TO ORDER**

President Swanson called the meeting to order at 7:30 p.m.

### **PLEDGE OF ALLEGIANCE**

President Swanson led the Pledge of Allegiance to the Flag.

### **AGENDA ITEMS:**

1. **Public Hearing regarding 2007-2008 Zone 6 Water Year Rates and Charges**
  - a. **Proof of Publication submitted for Notice of Public Hearing** Proof of publication was given by Mrs. Mauro as January 30, 2007. Additionally, Mr. Pipal stated that due to Proposition 218, the District had to mail out rate notices at least 45 days prior to the public hearing and he stated that this was done in sufficient time.
  - b. **Presentation of 2007-2008 Water Year Rates and Charges** Mr. Gregg provided a Powerpoint Presentation to the Board to present the water rates. Mr. Gregg gave an overview of the rates and stated they are based on last year's rates. Mr. Gregg stated we rely on outside parties for the cost. Operation and maintenance costs are the basis for San Felipe Water Rates. Mr. Gregg stated the rate base used is from the 2006/2007 Water Year. Mr. Gregg reported the recommended cost per acre foot is \$85.00 for non full cost irrigation. Mr. Gregg stated there are two sections of the Bureau of Reclamation format that may apply and the District rates cover both of those. Mr. Gregg reported there is a special set of customers that are small parcel owners (10 acres or less) and they receive billings 6 times a year or bi-monthly. Mr. Gregg reported the power charge is part of the CVP system, which is the cost of pumping water and this charge was developed by the Bureau of Reclamation. Mr. Gregg stated local charges are determined by actual PG&E billing. There are four subsystems to which energy is added to the rate; the other subsystems do not need energy to pump the water. Mr. Gregg stated local power charges are from the District's costs to operate the system, such as lighting, protection, and the facilities at San Justo. The recommended power charge for the 2007-2008 is the same as the power charge from 2006-2007.
  - c. **Open Public Hearing** President Swanson opened the Public Hearing and there were no public comments.

- d. **Close Public Hearing or continue to later date** President Swanson closed the Public Hearing.
  - e. **Consider Adoption of 2007-2008 Water Year Rates and Charges**
  - f. **Consider Ordinance Establishing San Felipe Distribution System Water Charges for Agricultural and Non-Agricultural (Municipal and Industrial) Water for the 2007-2008 Water Year** Upon a motion made by Vice President Bettencourt and seconded by Director Tobias, Ordinance Number 43, *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 (Municipal and Industrial) Water for the 2007-2008 Water Year*, was unanimously approved.
  - g. **Consider Resolution Establishing Groundwater Charges in Zone 6 for the 2007-2008 Water Year** Upon a motion made by Director Tobias and seconded by Director Flores, Resolution #2007-05, *A Resolution of the Board of Directors of the San Benito County Water District, Establishing Groundwater Charges in Zone 6 for the 2007-2008 Water Year*, was unanimously approved.
2. **Public Hearing regarding Zone 6 Standby or Availability Charge for the 2007-2008 Water Year**
- a. **Proof of Publication submitted for Notice of Public Hearing** Proof of publication was given by Mrs. Mauro as January 30, 2007.
  - b. **Presentation of Establishing Standby or Availability Charge for the 2007-2008 Water year** Mr. Gregg stated that Standby or Availability Charge is under a separate provision, by a 1977 ballot measure. This is subject to a limit of \$10 per acre and has been in place at the current rate since 1996. President Swanson asked Mr. Pipal to comment on this item in regards to Proposition 218. Mr. Pipal stated since the charge has remained the same, and the District continues to use the same methodology, it is exempt from Proposition 218.
  - c. **Open Public Hearing** President Swanson opened the public hearing and there were no public comments.
  - d. **Close Public Hearing or continue to a later date** President Swanson closed the Public Hearing.
  - e. **Consider Resolution Establishing Standby or Availability Charge for the 2007-2008 Water Year** Upon a motion made by Director Flores and seconded by Vice President Swanson, Resolution #2007-06, *A Resolution by the Board of Directors of San Benito County Establishing Standby or Availability Charge for the 2007-2008 Water Year* was unanimously approved.
3. **Consider Resolution Establishing a Policy for Zone 6 Inter-Subsystem Water Transfers for the 2007-2008 Water Contract Year** Mr. Gregg reported this item was previously on the agenda for January 31, 2007 and at that time was referred to committee. Mr. Gregg stated the policy is looking at the North Area Inter-Subsystem Water Transfers in this area. The Resolution allows inter-subsystem between the 5 systems in the North Area. Director Tobias asked about the purchase of additional water and Mr. Gregg stated this issue was continued. Mr. Gregg stated bringing additional water into the District will need to come before the Board of Directors. President Swanson asked in respect to San

Juan Valley, there will not be transfers in that area and Mr. Gregg stated that was correct. Upon a motion made Director Tobias and seconded by Vice President Bettencourt, Resolution #2007-07, *A Resolution of the Board of Directors of San Benito County Water District, Establishing a Policy for Zone 6 Inter-Subsystem Water Transfers for the 2007-2008 Water Contract Year* was unanimously approved.

4. **Report on and discussion of the 2007-2008 San Felipe Distribution System Water Supply and Direct Manager** Mr. Gregg stated the Bureau of Reclamation did not announce the water supply on February 14, 2007 and delayed it until February 23, 2007. Mr. Gregg did state the reduction in the water supply from full delivery could be to 75%. Mr. Gregg gave some background regarding how water rights and delivery have been determined in the past. Mr. Gregg stated that if the District's allocation is lower than 50% of requested delivery, he will consult with the President and suggest a Special Meeting or add this as an item for the Regular Board Meeting on February 28<sup>th</sup>.
5. **Adjournment** There being no further business, the meeting was adjourned at 7:55 p.m.

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*Minutes were approved at the February 28, 2007, Regular Board meeting and signed by the presiding board member.*

*/s/Robert M. Swanson*  
**Robert M. Swanson, President**

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