

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**

WHEREAS, pursuant to Section 70-7.7 of the San Benito County Water District Act, the Board of Directors held a public hearing on the second Monday of January, 2006 to review and receive public comment on the Final Annual Groundwater Report for Water Year 2005; and

WHEREAS, on January 9, 2006 the Board of Directors accepted the Annual Groundwater Report for Water Year 2005 with the findings read into the record as set forth in Water Code Appendix 70-7.6; and

WHEREAS, the Final Annual Groundwater Report recommends that a groundwater charge be levied, and presents water supply, water usage, and water replenishment information and presents proposed rates (revenue levels); and

WHEREAS, the Board conducted a public hearing on January 11, 2006, to determine whether or not a groundwater charge should be levied in Zone 6, and to consider the amount of any such charge; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED pursuant to Section 70-7.8 of the San Benito County Water District Act that the groundwater charges for the ensuing water year (March 1, 2006 through February 28, 2007) are hereby levied, assessed and fixed against all persons operating groundwater producing facilities within Zone 6 as follows:

Water Primarily for Municipal and Industrial Purposes

\$ 21.50 per acre foot

Water primarily for Agricultural Purposes

\$ 1.50 per acre foot

BE IT FURTHER RESOLVED that the charge set forth herein is imposed on the amount of water consumed by the customer and is not imposed upon real property or upon a person as an incident of property ownership.

BE IT FURTHER RESOLVED AND ORDERED pursuant to Section 70-7.10 of the San Benito County Water District Act that each operator of a water producing facility not measured with a water measuring device and/or not producing water from said facility shall file a statement verified by a written

declaration made under penalty of perjury on or before the 31st day of January in each year until such time as said facility has been permanently abandoned, setting forth a total production in acre feet of water for the preceding calendar year (excluding the month in which the statement is due), a general description or number locating each water-producing facility, and the method or basis of the computation of such water production or that no water has been produced from said water-producing facility.

BE IT FURTHER RESOLVED AND ORDERED that should the operation of a water-producing facility fail to file the aforementioned statement, said operator shall be assessed in addition to an interest charge calculated at the rate of 1% for each month on the delinquent amount of the groundwater charge, a penalty representing 10% of the amount found by the District to be due.

BE IT FURTHER RESOLVED that continued replenishment of the groundwater supplies of Zone 6 is necessary;

BE IT FURTHER RESOLVED that the above groundwater charge does not exceed the costs reasonably borne by the District in the period of the charge in providing the water supply service authorized by the District Act in Zone 6, which costs are set forth in **Exhibit "A"**, attached hereto and incorporated by reference.

BE IT FURTHER RESOLVED AND ORDERED that the term "primary" or "primarily" is defined in **Exhibit "B"** attached hereto and incorporated herein by this reference.

BE IT FURTHER RESOLVED that the following criteria shall be used in computing the amount of water produced from a water producing facility, which is not measured by a measuring device:

Inside water use shall be determined on the basis of 0.05 acre feet per person per residence or dwelling unit, plus a base water use of 0.10 acre feet per residence or dwelling unit.

Outside water use for irrigation shall be determined on the basis of 0.09 acre feet per 1000 square feet of watered land up to 2.0 acres. For water areas greater than 2.0 acres generally accepted unit water duties based on crop type and irrigation method as determined by the District shall be used.

Outside water use for livestock watering shall be determined on the basis of 0.02 acre feet per animal unit up to 10 and 0.01 acre feet per animal unit for each unit above 10.

Outside water use for fowl shall be determined on the basis of 0.005 acre feet per 100 fowl.

PASSED AND ADOPTED at a Special Meeting of the Board of Directors of the San Benito County Water District held on the 11th day of January, 2006 by the following vote:

AYES:	DIRECTORS:	Tobias, Swanson, Perry, Bettencourt and Flores
NOES:	DIRECTORS:	None
ABSENT:	DIRECTORS:	None

/s/ John Tobias
John Tobias
President

ATTEST: /s/ Maria E. Alfaro
Maria E. Alfaro
Administrative Services Officer

EXHIBIT A

**San Benito County Water District
Zone 6
2006/2007 Groundwater Revenue Requirement/Charges
Recommended**

REVENUE REQUIREMENTS			Rates ²		
<u>Component</u>	<u>Rate</u>	<u>Amount</u> ¹	<u>Ag</u> (per A/F)	<u>M & I</u> (per A/F)	
Ag	San Felipe Water Rate ⁷	85.00	68,000	\$ 4.44	
M&I	San Felipe Water Rate ⁷	160.00	192,000		\$ 23.55
Ag	Power Charge ⁶	18.40	7,360	\$ 0.48	
M&I	Power Charge ⁶	18.40	11,040		\$ 1.35
TOTAL				\$ 4.92	\$ 24.90
Current Groundwater Charge ⁵ (per acre foot)				\$ 1.50	\$ 21.50
RECOMMENDED CHARGES (per acre foot)				\$ 1.50	\$ 21.50

1 (Rate) times volume to percolated³

Ag volume	800
M&I volume	1200

2 Rates=Revenue Requirement/projected usage⁴

Ag usage	15330
M&I usage	8154

3 Percolation volumes from assuming 65% irrigation supply and 85% M&I supply.

4 Projected Usage: Ag=2004/2005 groundwater usage; M&I=2004/2005 usage.

5 Groundwater charge adopted by San Benito County Water District Board of Directors in January 2005.

6 Assumes 50% of percolated water requires local pumping.

7 San Felipe Water Rate is recommended 2006-2007 water year rate.

Note: Section 70-7.8 (a) of the District Act states that the agricultural rate shall not exceed one-third of the rates for all water other than agricultural water.

EXHIBIT B

ESTABLISHING THE PRIMARY USE OF WELLS IN ZONE 6

The primary use must be established on all wells that are used for both agricultural and municipal and industrial purposes.

Agricultural water shall mean water used primarily in the commercial production of agricultural crops or livestock, including domestic use incidental thereto, on tracts of land operated in units of more than 2 acres.

Municipal, Industrial and domestic water (hereinafter referred to as M & I water) shall mean water used for other than agricultural purposes.

IN ORDER TO QUALIFY AS AN AGRICULTURAL WELL, THERE MUST BE AT LEAST 2 ACRES OF AGRICULTURAL LAND FOR EVERY DWELLING THAT THE WELL ALSO SERVES.

Examples of various ratios applied in the classification of wells:

2 Acres of Agricultural Land & 1 Dwelling =	Agricultural or M & I (as determined by District)
4 Acres of Agricultural Land & 2 Dwellings =	Agricultural or M & I (as determined by District)
2 Acres of Agricultural Land & 2 Dwellings =	M & I
4 Acres of Agricultural Land & 3 Dwellings =	M & I
4 Acres of Agricultural Land & 1 Dwelling =	Agricultural
6 Acres of Agricultural Land & 2 Dwellings =	Agricultural