

RESOLUTION NO. 2018-02

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN BENITO COUNTY WATER DISTRICT,
APPROVING AN INTERIM POLICY
TO REDUCE THE AGRICULTURAL WATER RATE
FOR CVP 2017-2018 CONTRACT YEAR AGRICULTURAL RESCHEDULED
WATER YEAR COMMENCING MARCH 1, 2018**

WHEREAS, on February 1, 2016, the Board of Directors of San Benito County Water District passed Ordinance 58, which established charges for Agricultural and Non-Agricultural Water; and

WHEREAS, said charges were based on certain assumptions of deliveries during the water years beginning March 1, 2016 through February 28, 2019; and

WHEREAS, the Board of Directors has determined that maximizing deliveries of imported water in zone 6 is essential to balancing the basin; and

WHEREAS, it is in the best interest of Zone 6 groundwater and surface water users to maximize the amount of imported Central Valley Project water put to beneficial use in each water year.

WHEREAS, the District staff has determined that approximately 3600 ac-ft of 2017-2018 contract year CVP Ag water will be available for rescheduling; and

WHEREAS, the District staff has determined that a limited window of availability exists for the use of 2017-2018 CVP District rescheduled AG water; and

WHEREAS, the District staff has reviewed historic deliveries of CVP Ag water for the month of March and determined that under normal circumstances it is unlikely that the full amount of currently available District rescheduled water will be used; and

WHEREAS, after such evaluation in order to encourage agricultural customer usage during this limited window of availability, staff has determined that a rate less than the rate established in February 2016 would provide the revenue required to recover all the per ac-ft costs associated taking delivery of such water.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT AS FOLLOWS:

Interim Policy: Based upon the facts set forth in the Recitals above, it shall be the interim policy of the Board of Directors that the charges for agricultural water for the water year beginning March 1, 2018, and ending with the end of availability of 2017-2018 CVP contract year District rescheduled water:

| CONTRACT CUSTOMERS | Board Approved Ordinance No. 58 | Reduced Charge Commencing March 1, 2018 | Unit of Measure |
|--|--|--|------------------------|
| Agricultural | \$ 272.00 | \$ 110.00 | per acre foot |
| Agricultural Full Cost (RRA Section 205(a)(3)* | \$ 463.00 | \$ 150.00 | per acre foot |
| Agricultural Full Cost (RRA Section 202(3)* | \$ 445.00 | \$ 170.00 | per acre foot |

This interim policy shall be in effect until 2017-2018 Contract year rescheduled water is no longer available, at which time the agricultural rates established in Resolution 2018-1 for the water year commencing March 1, 2018, shall be in effect.

PASSED AND ADOPTED this 28th day of February 2018, by the San Benito County Board of Directors by the following vote:

AYES: DIRECTORS: Tonascia, Flores, Tobias, Bettencourt & Huenemann
NOES: DIRECTORS: None
ABSENT: DIRECTORS: None
ABSTAIN: DIRECTORS: None

/s/ Joe Tonascia
Joe Tonascia
President

ATTEST: /s/ Sara Singleton
Sara Singleton
Assistant Manager