

**BOARD OF DIRECTORS
SAN BENITO COUNTY WATER DISTRICT**

Agenda for

January 10, 2022

Special Meeting – 5:00 p.m.

30 Mansfield Road, Hollister, CA 95023

Speakers will be limited to 5 minutes to address the Board

Assistance for those with disabilities:

If you have a disability and need accommodation to participate in the meeting, please call Barbara Mauro, Board Clerk, at (831) 637-8218, 48 hours prior to meeting for assistance so the necessary arrangements can be made.

On September 16, 2021, Governor Newsom signed AB 361, which will continue to allow local legislative bodies to hold meetings via teleconference and to make meetings accessible electronically, in order to protect public health as related to COVID-19 through January 31, 2022.

There will be NO physical location of the meeting for members of the public. Members of the public may participate virtually. Members of the public participating are instructed to be on mute during the proceedings and to speak only when public comment is allowed, after requesting and receiving recognition from the Board President.

ZOOM LINK

<https://us06web.zoom.us/j/82308675439?pwd=NWE0Y3A4cjRFaVBhUjBRVGZ6T0hnUT09>

Meeting ID

823 0867 5439

Passcode:

252809

Dial Only:

+1 253 215 8782 US

Agenda Packet is available on our website:

<https://www.sbcwd.com/agendas/>

If you plan to participate in the meeting and need assistance, please call Barbara Mauro, Board Clerk, at (831) 637-8218, 48 hours prior to meeting.

CALL TO ORDER

- a. Pledge of Allegiance
- b. Roll Call
- c. Speakers will be limited to 5 minutes to address the Board
- d. Approval of the Agenda

CONSENT AGENDA

1. Consider Resolution Proclaiming and Ratifying March 4, 2020 COVID-19 State of Emergency, and Authorizing Remote Teleconference Meetings for all District Legislative Bodies for the Following 30 Days in Accordance with the Ralph M. Brown Act

AGENDA ITEMS:

2. Discuss and Consider Resolution Setting a Public Hearing Date for the Purpose of Fixing the Standby or Availability Charge for the 2022-2023 Water Year
3. Public Hearing regarding 2021 Annual Groundwater Report (Groundwater Sustainability Report [GSP])
 - a. Proof of Publication submitted on Notice of Public Hearing, Annual Groundwater Report (Groundwater Sustainability Report [GSP])
 - b. Presentation of Report
 - c. Questions of Directors
 - d. Open Public Hearing
 - e. Close Public Hearing or continue to later date
 - f. Consider Adoption of Statement of Findings and Recommendations
 - g. Consider Acceptance of 2021 District Engineer's Report on Annual Groundwater Conditions and Recommendation on Groundwater Charges
4. Public Hearing regarding Zone 6 2022-2023 Groundwater Charges
 - a. Proof of Publication submitted for Notice of Public Hearing
 - b. Presentation of 2022-2023 Groundwater Charges
 - c. Open Public Hearing
 - d. Close Public Hearing or continue to later date
 - e. Consider Adoption of 2022-2023 Groundwater Charges
 - i. Consider Resolution Establishing Groundwater Charges in Zone 6 for 2022-2023 Water Year

5. Public Hearing regarding 2022-2023 Water Year San Felipe Water Retail and Wholesale Rates and Charges
 - a. Proof of Publication submitted for Notice of Public Hearing
 - b. Presentation of 2022-2023 Water Year San Felipe Water Retail and Wholesale Rates and Charges
 - c. Open Public Hearing
 - d. Close Public Hearing or continue to later date
 - e. Consider Adoption of 2022-2023 San Felipe Water Retail and Wholesale Rates and Charges
 - i. Consider Ordinance Approving San Felipe Water Retail and Wholesale Rates and Charges for Water Year 2022-2023

ADJOURNMENT

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 30 Mansfield Road, Hollister, California.
--

BOARD OF DIRECTORS SAN BENITO COUNTY WATER DISTRICT



Agenda

Item

1

RESOLUTION NO. 2022-01

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN BENITO COUNTY WATER DISTRICT
A RESOLUTION RATIFYING THE STATE OF EMERGENCY PROCLAIMED ON
MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS
OF ALL DISTRICT LEGISLATIVE BODIES FOR THE FOLLOWING 30 DAYS IN
ACCORD WITH THE RALPH M. BROWN ACT**

WHEREAS, the San Benito County Water District (the “District”) is a public entity established under the laws of the State of California; and

WHEREAS, the District is committed to preserving and nurturing public access and participation in meetings of the District Board and Committees; and

WHEREAS, all meetings of District legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code sections 54950 – 54963) (the “Brown Act”), so that any member of the public may attend, observe, and participate when District legislative bodies conduct business; and

WHEREAS, the Brown Act, Government Code section 54953(e), enables remote teleconferencing participation in meetings by members of a legislative body, without strict compliance with requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, one required condition is that a state of emergency has been declared by the Governor of the State of California pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and.

WHEREAS, a proclamation is made that there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the District’s jurisdiction, caused by natural, technological, or human-caused disasters; and

WHEREAS, state or local officials have imposed or recommended measures to promote social distancing, or having the legislative body meet in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the District Board affirms these conditions now exist in the District. Specifically, on March 4, 2020, the Governor proclaimed a State of Emergency to exist as a result of the threat of COVID-19. That Proclamation has not been terminated by either the Governor or the Legislature pursuant to Government Code section 8629; and

WHEREAS, despite sustained efforts to remedy this circumstance, the District Board determines that meeting in person poses an imminent risk to health and safety of attendees due to the COVID-19 virus and its variants; and

WHEREAS, the District Board finds the emergency created by the COVID-19 virus and its variants has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor and similar local health orders that require social distancing; and

WHEREAS, as a consequence of the local emergency, the District Board determines that all legislative bodies of the District are required to conduct their meetings without full compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that those District legislative bodies shall comply with the requirements to provide public access to the meetings remotely as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, each District legislative body shall continue to conduct meetings with public access available via call-in or internet-based service options and the public shall be allowed to address the legislative body directly in real time; and

WHEREAS, This Resolution shall authorize the General Manager to establish and maintain platforms necessary for each District legislative body to hold teleconference meetings and provide an avenue for real-time public comments for such meetings; and

WHEREAS, the District Board finds the introduction and adoption of this resolution is not subject to the California Environmental Quality Act (CEQA) as the activity is not a project as defined in Section 15378) of the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The foregoing findings are true and correct and are adopted by the District Board as though set forth in full.
2. The Board hereby proclaims that a local emergency now exists throughout the District, and meeting in person would present imminent risk as a result of the COVID-19 virus and its variants.
3. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.
4. The District Manager and legislative bodies of the San Benito County Water District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and

public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

5. This Resolution shall take effect immediately upon its adoption and shall be remain in effect for a period of 30 days, or until such time the District Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which District legislative bodies may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

The foregoing Resolution was passed and adopted at a special meeting of the Board of Directors of the San Benito County Water District held on January 10, 2022, by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

Joseph Tonascia
President

ATTEST:

Sara Singleton
Assistant Manager



Agenda

Item

2

RESOLUTION NO. 2022-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN BENITO COUNTY WATER DISTRICT
SETTING A PUBLIC HEARING DATE FOR THE PURPOSE OF
IMPLEMENTING A STANDBY OR AVAILABILITY CHARGE
IN THE AREA SERVED BY THE ZONE 6 PRESSURIZED
DISTRIBUTION SYSTEM (SAN FELIPE DISTRIBUTION SYSTEM)
FOR WATER YEAR 2022-2023**

WHEREAS, pursuant to Section 70.6.6 of the San Benito County Water District Act, the District, by resolution, may fix, on or before the first day of March in any calendar year, a water standby or availability charge within any zone of the District to which water is made available by the District through underground or surface facilities, whether the water is actually used or not, except that such charge shall not apply to lands permanently dedicated exclusively to public transportation of persons or property; and

WHEREAS, the standby charge shall not exceed ten dollars (\$10.00) per acre, per year for each acre of land within any zone of the District or ten dollars (\$10.00) per year for any parcel of less than one acre; and

WHEREAS, the voters of the District on November 8, 1977, approved certain Propositions that provided, among other things, that:

- a) "in the area served by a pressurized distribution system there will be an annual maximum stand-by charge of \$10.00 per acre of land"; and

WHEREAS, the resolution fixing a standby charge shall be adopted by the Board only after adoption of a resolution setting the particular schedule or schedules of charges proposed to be established and after notice and hearing.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the San Benito County Water District that this Resolution 2022-02 sets forth the proposed standby or availability charge as follows:

\$6.00 per acre for each acre, and \$6.00 per year for any parcel of less than 1 acre, of land within Zone 6 San Felipe Distribution System Services Area of the District for water year 2022-2023 (March 1, 2022 through February 28, 2023) and it will also include a per parcel enrollment fee as determined by the San Benito County Assessor's Office.

BE IT FURTHER RESOLVED that a public hearing on this matter is to be held on Wednesday, February 23, 2022 at 5:00 p.m. in the District office, 30 Mansfield Road, Hollister, California.

PASSED AND ADOPTED by the Board of Directors of the San Benito County Water District this 10th day of January 2022, by the following vote:

AYES:	DIRECTORS:
NOES:	DIRECTORS:
ABSENT:	DIRECTORS:
ABSTAIN:	DIRECTORS:

Joseph Tonascia
Vice President

ATTEST:

Sara C. Singleton
Assistant Manager

San Benito County Water District
Agenda Transmittal

Agenda Item: 3 ¹/₁ 4

Meeting Date: January 10, 2022

Submitted By: Jeff Cattaneo

Presented By: Jeff Cattaneo

Agenda Title: Presentation of New Annual Groundwater Report Format and 2022/2023
Zone 6 Groundwater Rates

The San Benito County Water District (District or SBCWD) was formed in 1953 by a special act (District Act) of the State with responsibility and authority to manage groundwater. Section 7.6 of the District Act states that “the Board may ... require the district to annually prepare an investigation and report on conditions of the district and zones thereof”. For the past 25 years or more the District has been preparing and presenting a report that meets all the requirements of Section 7.6 of the District Act on the second Monday of January each year. At that meeting each year the District has also in that report recommended a groundwater charge to be levied on all groundwater pumped for the District’s Zone 6.

With the implementation of the Groundwater Sustainability Plan (GSP) and the annual report required under the Groundwater Sustainability Act, the previous Groundwater Report would become redundant. Therefore, the District will be adopting a new format for presenting groundwater conditions of the District and the recommendation of the Groundwater Charge to be levied at the meeting to be held on the second Monday of January of each year.

The overall basin groundwater conditions of the District will be presented each year in February under the annual GSP report. Each year on the second Monday in January at a special meeting of the Board of Directors, the District Engineer shall prepare and present to the Board a report that meets the requirements for reporting under Section 7.6 (a) – (j) and makes a recommendation for the groundwater charges to be levied in Zone 6 for the upcoming water year. The previous Groundwater Report will no longer be prepared and presented to the Board on the second Monday of January each year.

The following recommendations are responsive to Section 7.6 of the District Act:

- The District should continue to purchase and supply all imported CVP water available under the SBCWD contract and any additional supplies that can reasonably be attained.

January 10, 2022

MEMORANDUM REPORT

To: Board of Directors, San Benito County Water District

From: Jeff Cattaneo, P.E. District Engineer

Re: San Benito County Water District Annual Groundwater Conditions and Recommendation of Groundwater Charges for Water Year 2022 - 2023 for January 10, 2022 Meeting of the Board of Directors

The San Benito County Water District (District or SBCWD) was formed in 1953 by a special act (District Act) of the State with responsibility and authority to manage groundwater. The District Act authorizes the Board of Directors, at its discretion, to direct staff to prepare an annual report on groundwater conditions of the District and its zones of benefit, such as Zone 6, the area for distribution of Central Valley Project (CVP) water. The groundwater report (addressing the previous water year from October 1 through September 30) also summarizes activities of the District for protection and augmentation of water supplies and provides management recommendations. Annual Groundwater Reports have been prepared since the 1970s and District Act requirements are listed in Appendix A of recent reports.

In response to the 2014 Sustainable Groundwater Management Act (SGMA), the District has become the exclusive Groundwater Sustainability Agency (GSA) for the North San Benito Groundwater Basin (Basin) in San Benito County, has led preparation of a Groundwater Sustainability Plan (GSP) for the basin, and has initiated preparation of the first Annual Report in accordance with SGMA and consistent with the District Act. The SGMA Annual Report is planned for completion before April 1, 2022.

This brief Memorandum Report has been prepared at the direction of the SBCWD Board of Directors to address requirements of the District Act, while recognizing that the SGMA Annual Report will provide the substantial documentation that has been presented in previous Annual Groundwater Reports.

Groundwater Basin Conditions

As documented in the GSP, the Basin is not in overdraft. Historical overdraft was halted through importation of CVP water and other management actions. In Water Year 2020-2021 State-wide drought conditions prevailed, and in March 2021, CVP allocations were reduced to zero for agricultural uses and to 25 percent of the SBCWD contract for M&I uses. Consistent with the coordinated use of available surface water supplies and groundwater, Zone 6 groundwater production increased in 2020-2021 relative to previous years (Table 1).

Table 1. Groundwater Production in Zone 6 by Water Year, acre-feet per year

	2018-2019	2019-2020	2020-2021*
Agriculture	15,423	17,021	22,356
Municipal & Industrial	2,660	3,514	4,448
* preliminary values			

While a drought year such as 2020-2021 may be characterized by increased pumping, short-term groundwater level decline, and storage depletion, North San Benito Basin groundwater levels and storage reserves are managed to stay above quantitative minimum thresholds that are protective of beneficial uses of groundwater.

Water Supplies and Management Activities

As described in the previous Annual Reports, water supply sources available in Zone 6 include local groundwater, imported CVP water, recycled water, and local surface water. These are used conjunctively with the groundwater basin providing important storage. Management actions (also described in the GSP Chapter 8) involve water importation, local water storage, managed aquifer recharge, and water recycling. SBCWD has a contract with USBR for 35,550 and 8,250 AFY of imported water for agricultural and for M&I use, respectively. CVP allocations were reduced to zero for agricultural uses and to 25 percent of contract for M&I uses. Ongoing activities include monitoring, data compilation and analysis, numerical modeling, water conservation, water quality improvement programs, stakeholder outreach, reporting, and administrative activities among others that contribute to long-term sustainability.

Recommendations

The following recommendations are responsive to the District Act:

- The District should continue to purchase and supply all imported CVP water available under the SBCWD contract and any additional supplies that can reasonably be attained.
- The District should continue to operate Hernandez and Paicines reservoirs for downstream percolation to improve downstream groundwater conditions.
- The District should continue off-channel percolation of CVP water as available and expand percolation capabilities.
- A groundwater charge should be levied in Zone 6 as substantiated and recommended in the 2020 Annual Groundwater Report. The groundwater charge for the USBR contract year (March 2022-February 2023) is recommended to be \$13.55 per AF for agricultural use in Zone 6 and a groundwater charge of \$40.55 per AF is recommended for M&I use.



**SAN BENITO COUNTY WATER DISTRICT
BOARD OF DIRECTORS**

**FINDINGS IN SUPPORT OF MOTION TO ACCEPT
ANNUAL GROUNDWATER REPORT FOR WATER YEAR 2021**

1. The report contains information considered by the Board in determining annual overdraft and accumulated overdraft as of September 30, 2021.
2. The report contains information as to the total production of water from the groundwater supplies of the District and the Zones thereof for Water Year ending September 30, 2021.
3. The report contains an estimate of the annual overdraft for the 2021 Water Year and for the ensuing water year.
4. The report contains information to determine the estimated amount of agricultural water and water other than agricultural water to be withdrawn from the groundwater supplies of the District and the Zones thereof for the 2021 Water Year.
5. The report contains information as to the amount of water the District is obligated to purchase during the 2021 Water Year.
6. The report recommends the quantity of water needed for surface delivery and or replenishment of groundwater supplies of the District and the Zones thereof for the 2021 Water Year.
7. The report recommends that a groundwater charge should be levied in the Zones of the District for 2022-2023 Water Year and proposes a rate per acre foot for agricultural water and a rate per acre foot for water other than agricultural water.

RESOLUTION NO. 2022-03

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN BENITO COUNTY WATER DISTRICT
ESTABLISHING GROUNDWATER CHARGES IN ZONE 6
FOR THE WATER YEAR 2022-2023**

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 2022 to review and receive public comment on the District Engineer's Report on Annual Groundwater Conditions and Recommendation on Groundwater Charges for Water Year 2021; and

WHEREAS, on January 10, 2022 the Board of Directors accepted the District Engineer's Report on Annual Groundwater Conditions and Recommendation on Groundwater Charges for Water Year 2021 with the findings read into the record as set forth in Water Code Appendix 70-7.6; and

WHEREAS, the District Engineer's Report on Annual Groundwater Conditions and Recommendation on Groundwater Charges 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, adherence to the procedures provided Section 6 sub (a) of Article XIII D of the California Constitution (Proposition 218) is not required because the Zone 6 Municipal, Industrial, and Agricultural groundwater rates remain unchanged from Water Year 2021-2022 and are therefore not "New or Increased Fees and Charges" subject to the provisions of that sub (a); and

WHEREAS, a notice of a public hearing for January 10, 2022 was published in the newspaper as required by the District Act.

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 water year 2022-2023 are hereby levied assessed and fixed against all persons operating groundwater producing facilities within Zone 6 as follows:

Water Year 2022-2023

Water Primarily for Municipal and Industrial Purposes

\$ 40.55 per acre foot

Water Primarily for Agricultural Purposes

\$ 13.55 per acre foot

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 this 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.

1. Findings:

The Board of Directors hereby finds and determines that:

- a) Revenues derived from the charge imposed herein do not exceed the funds required to pay for operation and maintenance and costs associated with Zone 6 of the San Benito County Water District, San Felipe Division of the Central Valley Project, as authorized by the voters in Zone 6 on November 8, 1977 and shall not be used for any other purpose;
- b) The amount of the charge does not exceed the proportional cost of the service attributable to the parcel;
- c) The service for which the charge is imposed (see 1.a) above) is actually used by or is immediately available to the owner in question;
- d) The charge is not imposed for general governmental services.

PASSED AND ADOPTED at a Special Meeting of the Board of Directors of the San Benito County Water District held on the 10th day of January 2022 by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

Joseph Tonascia
President

ATTEST: _____
Sara Singleton
Assistant Manager

EXHIBIT A

Groundwater Rates

Water Year

2022-2023

Zone 6

REVENUE REQUIREMENTS							Rates ²	
Component				Rate (\$/AF) ¹	Quantity (A/F) ¹	Amount	Ag (per A/F)	M & I (per A/F)
SOURCE OF SUPPLY O&M								
AG				\$ 18.68	23,974	\$ 447,834	\$ 18.68	
M&I				\$ 18.68	4,877	\$ 91,102		\$ 18.68
PERCOLATION COSTS								
Cost of Water								
AG	Cost of Water ³			\$ 53.51	2,105	\$ 112,617	\$ 4.70	
M&I	Cost of Water ³			\$ 163.58	428	\$ 70,034		\$ 14.36
Power Costs								
AG	Power Charge for percolation			\$ 58.83	2,105	123,813	\$ 5.16	
M&I	Power Charge for percolation			\$ 58.83	428	25,187		\$ 5.16
TOTAL 2019-2020							\$ 28.54	\$ 38.21
Previously approved Groundwater Charges ⁴								
2019-2020 Water Year Groundwater Charge							\$ 12.75	\$ 38.25
2020-2021 Water Year Groundwater Charge							\$ 13.15	\$ 39.40
2021-2022 Water Year Groundwater Charge							\$ 13.55	40.55
RECOMMENDED CHARGES								
2022-2023 Water Year Groundwater Charge							\$ 13.55	40.55
Notes:								
1 Rate Basis is unchanged from the basis used for prior year rates.								
Assumed Volumes								
Groundwater usage								
Ag usage					23,974			
M&I usage					4,877			
Total					28,851			
2 Rates=Revenue Requirements/projected groundwater usage								
3 Cost of Water:								
AG: USBR and SLDMWA O&M								
M&I: USBR and SLDMWA O&M, USBR Out-of-Basin Interest								
4 Groundwater charges adopted by San Benito County Water District Board of Directors in Jan-19								
5 Assumed volumes for percolation (based on 3 year average)								
Ag				83%	2105			
M&I				17%	428			
Total				100%	2533			
6 Annual escalation rate for previous rates				3%				
7 Rates charged will be rounded up to nearest \$.05								
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



Agenda

Item

5

ORDINANCE NO. 63

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
SAN BENITO COUNTY WATER DISTRICT
ESTABLISHING SAN FELIPE DISTRIBUTION SYSTEM WATER CHARGES FOR
AGRICULTURAL, NON-AGRICULTURAL AND WHOLESALE WATER**

WHEREAS, on November 8, 1977, the voters of San Benito County passed Proposition B, which authorized the levy of charges sufficient to repay the United States for the District's share of the cost of construction and cost of operation and maintenance of the Federal Facilities portion of the San Felipe Division of the Central Valley Project; and

WHEREAS, Proposition B also authorized a levy of charges sufficient to repay the costs of construction and cost of operation and maintenance of the District's Distribution Facilities; and

WHEREAS, the Board of Directors has determined charges which together with other revenue sources, are sufficient to repay the United States for the construction and operation and maintenance of the Federal Facilities or for the cost of operation and maintenance and repayment of the District's Distribution Facilities; and

WHEREAS, the only San Felipe rate that is changing is the "wholesale rate", which applies to water delivered to the West Hills Water Treatment Plant and Lessalt Water Treatment Plant; and

WHEREAS, San Felipe agricultural, non-agricultural (municipal and industrial) and small parcel rates (commonly known and referred to as "retail rates") remain unchanged;

WHEREAS, adherence to the procedures provided Section 6 sub (a) of Article XIII D of the California Constitution (Proposition 218) is not required because the San Felipe agricultural, non-agricultural (M&I) and small parcel rates (the "retail rates") remain unchanged and are therefore not "New or Increased Fees and Charges" subject to the provisions of that sub (a), and because the "wholesale rates" are not subject to Article XIII D of the California Constitution); and

WHEREAS, the District also published a Notice of Public Hearing for January 10, 2022, at 5 p.m. to consider the adoption of an ordinance setting all San Felipe rates and charges; and

BE IT ORDAINED by the Board of Directors of the San Benito County Water District as follows:

1. Rates and Charges: In order to meet said costs, the rates for water delivered through the pressurized San Felipe Distribution System

shall be established as follows:

CONTRACT CUSTOMERS	Water Year Commencing March 1, 2022	Unit of Measure
Agricultural	\$ 274.00	per acre foot
Agricultural Full Cost (RRA Section 205(a)(3)*	\$ 433.00	per acre foot
Agricultural Full Cost (RRA Section 202(3)*	\$ 411.00	per acre foot
Non-Agricultural (Municipal and Industrial)	\$ 424.00	per acre foot
Wholesale	\$ 647.00	per acre foot

SMALL PARCEL CUSTOMERS Small Parcel Service (parcels 10 acres less in area) Non-Agricultural (Municipal & Industrial)	Water Year Commencing March 1, 2022	Unit of Measure
Non-Agricultural (Municipal & Industrial)	\$ 424.00	per acre foot

Power Charge: For all water delivered through Subsystems		
	Water Year Commencing March 1, 2022	Unit of Measure
Subsystem 2	\$ 85.35	per acre foot
Subsystem 6H	\$ 41.50	per acre foot
Subsystem 9L	\$ 93.55	per acre foot
Subsystem 9H	\$ 138.25	per acre foot
All other subsystems	\$ 35.75	per acre foot

Regulatory Overuse Charge

Water used over the allocation(s) will be billed at the applicable agricultural or non-agricultural rate along with the regulatory overuse charge. The regulatory charge is to encourage conservation and discourage overuse, and is the current spot market rate, with a maximum of \$2000.00 per acre foot. The regulatory charge is applied to blue valve water use which exceeds the parcel or account allocation.

2. Findings:

The Board of Directors hereby finds and determines that:

- a) Revenues derived from the charge imposed herein do not exceed the funds required to pay for operation and maintenance costs associated with the delivery of San Felipe water and the power costs for pumping, transmission and distribution of San Felipe water to the District's customers, and shall not be used for any other purpose;

- b) The amount of the charge does not exceed the proportional cost of the service attributable to the parcel;
 - c) The service for which the charge is imposed (see 1. above) is actually used by or is immediately available to the owner in question;
 - d) The charge is not imposed for general governmental services.
 - e) The wholesale charge does not exceed the reasonable costs to the District of providing the product and services to the retailer.
3. Effective Date: The above rates and charges shall be effective upon the commencement of each water year as set forth in Paragraph #1 above.
4. Repeal of Prior Ordinances: All Ordinance and parts of Ordinances inconsistent herewith are hereby repealed.
5. Severability Clause: In the event that any portion or provision of this Ordinance shall be determined by a court of law or other tribunal to be invalid or unconstitutional, such findings of invalidity or unconstitutionality shall not affect the validity of the remaining provisions of this Ordinance, which shall remain in full force and effect.
6. Publication: This Ordinance shall take effect immediately. Within 15 days after its passage, this Ordinance shall be published once in a newspaper of general circulation in the County of San Benito, State of California, together with the names of the members of the Board of Directors voting for and against same.

PASSED AND ADOPTED this 10th day of January 2022, by the San Benito County Board of Directors by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

Joseph Tonascia
President

ATTEST:

Sara Singleton
Assistant Manager

San Benito County Water District
Water Year
2022-2023
San Felipe Distribution System
Rate Basis
(\$ per Acre Foot)

Non-Agricultural (Municipal & Industrial)-WHOLESALE

		Water Year 2021-2022	Water Year 2022-2023			% Covered in Proposed Rate		
		Current	Proposed				Water Year 2021-2022	Water Year 2022-2023
		Rate Basis	Rate Basis			Rate	Current	Proposed
		Rate Basis	Rate Basis			Rate	Rate Factor	Rate Factor

Cost Components									
		Cost of Stored and Acquired Water (includes United States Bureau of Reclamation and San Luis Delta Mendota Operations and Maintenance)							
Cost of Water			91.88		315.00				
	Semitropic O&M		20.45		20.45				
USBR	United States Bureau of Reclamation Operating Expense								
	United States Bureau of Reclamation Interest-San Felipe Division		113.50		113.50				
SLDMWA	San Luis Delta Mendota Activity Agreement and Membership Fee		4.66		4.66				
	San Luis Delta Mendota Pump Rewind		5.90		5.90				
SCVWD	San Luis Delta Mendota DHCCP Loan		5.09		5.09				
	Santa Clara Valley Water District O&M		27.86		27.86				
SBCWD	Santa Clara Valley Capital Projects Amortized		46.17		46.17				
	San Benito County Water District O&M		97.42		97.42				
	San Benito County Water District Water Supply Development		30.30		30.30				
	San Benito County Water District Customer Accounts		21.52		21.52				
Total Rate Base O&M Costs			464.76		687.87				
Total Rate Base Covered in Rate									
Current/Proposed Water Rate									

Water Year 2021-2022	Water Year 2022-2023		
Current	Proposed		
Rate Factor	Rate Factor		

	91.88	315.00	
	20.46	20.46	
	113.50	113.50	
	3.87	3.87	
	4.90	4.90	
	4.23	4.23	
	23.13	23.13	
	38.32	38.32	
	80.85	80.85	
	25.15	25.15	
	17.86	17.86	
	424.15	647.27	
\$	424	647	

Notes:
USBR: All operations and maintenance cost exclude power costs.
USBR Proposed rates include: O&M, Trinity PUD, ARRA, Defect and Restoration