

RESOLUTION NO. 2014-01

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN BENITO COUNTY WATER DISTRICT
ESTABLISHING GROUNDWATER CHARGES IN ZONE 6
FOR THE 2014-2015 AND 2015-2016 WATER YEARS**

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 2014 to review and receive public comment on the Final Annual Groundwater Report for Water Year 2013; and

WHEREAS, on January 13, 2014 the Board of Directors accepted the Annual Groundwater Report for Water Year 2013 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 District mailed notices to all parcels upon which the charge is to be imposed setting forth the information required in Section 6 of Article XIII D of the California Constitution (Proposition 218) and notifying the owners thereof of a public hearing on January 29, 2014, to consider the charge; and

WHEREAS, after 45 days from the date said Notice was mailed, the Board conducted a public hearing on January 29, 2014, to determine whether or not the charge should be levied in Zone 6, and to consider the amount of any such charge; and

WHEREAS, less than a majority of the owners or lessees of parcels upon which the charge is proposed for imposition filed protests.

WHEREAS, a notice of a public hearing for January 29, 2014 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 ensuing water years (March 1, 2014 through February 28, 2015 and March 1, 2015 through February 29, 2016) are hereby levied, assessed and fixed against all persons operating groundwater producing facilities within Zone 6 as follows:

Water Year 2014-2015
Water Primarily for Municipal and Industrial Purposes
\$ 23.25 per acre foot
Water Primarily for Agricultural Purposes
\$ 3.60 per acre foot

Water Year 2015-2016
Water Primarily for Municipal and Industrial Purposes
\$ 23.25 per acre foot
Water Primarily for Agricultural Purposes
\$ 3.95 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.

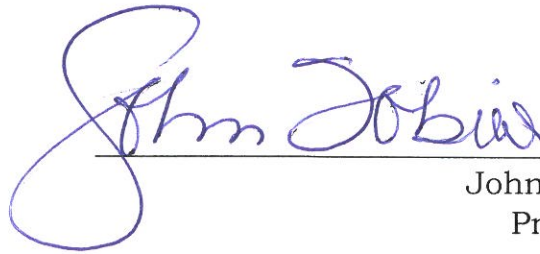
1. Findings:

The Board of Directors hereby finds and determines that:

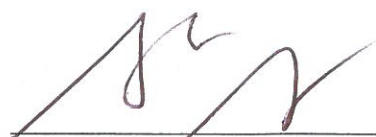
- a) Revenues derived from the charge imposed herein do not exceed the funds required to pay for operation and maintenance and costs associated with Zone 6 of the San Benito County Water District, San Felipe Division of the Central Valley Project, as authorized by the voters in Zone 6 on November 8, 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 Regular Meeting of the Board of Directors of the San Benito County Water District held on the 29th day of January, 2014 by the following vote:

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



John Tobias
President



ATTEST: _____
Sara Singleton
Assistant Manager

Exhibit A
Page 1

San Benito County Water District
Water Year
2014-2015
Zone 6

REVENUE REQUIREMENTS				Rates ²	
<u>Component</u>	<u>Rate (\$/AF)</u>	<u>Quantity (A/F)¹</u>	<u>Amount</u>	<u>Ag (per A/F)</u>	<u>M & I (per A/F)</u>
SOURCE OF SUPPLY					
AG	\$ 9.38	17,124	\$ 160,620	\$ 9.38	
M&I	\$ 28.14	5,664	\$ 159,397		\$ 28.14
PERCOLATION COSTS					
AG San Felipe Water Rate Basis ³	\$ 188.68	300	\$ 56,604	\$ 3.31	
M&I San Felipe Water Rate Basis ³	\$ 270.07	157	\$ 42,413		\$ 7.49
AG Power Charge for percolation	-	300	0	\$ -	
M&I Power Charge for percolation	-	157	0		\$ -
TOTAL				\$ 12.69	\$ 35.63
Current Groundwater Charge ⁴ (per acre foot)				\$ 3.25	\$ 23.25
RECOMMENDED CHARGES for 2014-2015 (per acre foot)				\$ 3.60	\$ 23.25

Notes:

1 Assumed Volumes

Percolation

(Based on 3 year average)

Ag volume 300

M&I volume 157

Total 457

Groundwater usage (based on average of past 3 years)

Ag usage 17,124

M&I usage 5,664

2 Rates=Revenue Requirements/projected groundwater usage

3 San Felipe Water rate basis for 2014-2015 water year, excluding customer accounts

4 Groundwater charge adopted by San Benito County Water District Board of Directors effective March 2013.

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 A
Page 2

San Benito County Water District
Water Year
2015-2016
Zone 6

REVENUE REQUIREMENTS				Rates ²	
Component	Rate	Quantity	Amount	Ag	M & I
	(\$/AF)	(A/F) ¹		(per A/F)	(per A/F)
SOURCE OF SUPPLY					
AG	\$ 9.75	17,124	\$ 166,956	\$ 9.75	
M&I	\$ 29.26	5,664	\$ 165,742		\$ 29.26
PERCOLATION COSTS					
AG San Felipe Water Rate Basis ³	\$ 199.07	300	\$ 59,721	\$ 3.49	
M&I San Felipe Water Rate Basis ³	\$ 279.57	157	\$ 43,905		\$ 7.75
AG Power Charge for percolation	-	300	0	\$ -	
M&I Power Charge for percolation	-	157	0		\$ -
TOTAL				\$ 13.24	\$ 37.01
Proposed Groundwater Rate ⁴ 2014-2015				\$ 3.60	\$ 23.25
RECOMMENDED CHARGES for 2015-2016 (per acre foot)				\$ 3.95	\$ 23.25

Notes:

1 Assumed Volumes

Percolation

(Based on 3 year average)

Ag volume

300

M&I volume

157

Total

457

Groundwater usage (based on average of past 3 years)

Ag usage

17,124

M&I usage

5,664

2 Rates=Revenue Requirements/projected groundwater usage

3 San Felipe Water rate basis for 2015-2016 water year, excluding customer accounts

4 Groundwater charge proposed by San Benito County Water District Board of Directors effective March 2014.

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