

RESOLUTION NO. 2019-01

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN BENITO COUNTY WATER DISTRICT
ESTABLISHING GROUNDWATER CHARGES IN ZONE 6
FOR THE 2019-2020, 2020-2021 and 2021-2022 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 2017 to review and receive public comment on the Final Annual Groundwater Report for Water Year 2018; and

WHEREAS, on January 14, 2019 the Board of Directors accepted the Annual Groundwater Report for Water Year 2018 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 30, 2019, to consider the charge; and

WHEREAS, after 45 days from the date said Notice was mailed, the Board conducted a public hearing on January 30, 2019, 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 30, 2019 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, 2019 through February 29, 2020, March 1, 2020 through February 28, 2021 and March 1, 2021-2022) are hereby levied assessed and fixed against all persons operating groundwater producing facilities within Zone 6 as follows:

Water Year 2019-2020

Water Primarily for Municipal and Industrial Purposes

\$ 38.25 per acre foot

Water Primarily for Agricultural Purposes

\$ 12.75 per acre foot

Water Year 2020-2021

Water Primarily for Municipal and Industrial Purposes

\$ 39.40 per acre foot

Water Primarily for Agricultural Purposes

\$ 13.15 per acre foot

Water Year 2021-2022

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 Regular Meeting of the Board of Directors of the San Benito County Water District held on the 30th day of January, 2019 by the following vote:

AYES: DIRECTORS: Flores, Tobias & Williams

NOES: DIRECTORS: None

ABSENT: DIRECTORS: Bettencourt & Tonascia

ABSTAIN: DIRECTORS: None

/s/ Sonny Flores
Sonny Flores
President

ATTEST: /s/ Sara Singleton
Sara Singleton
Assistant Manager

EXHIBIT A						
San Benito County Water District						
Groundwater Rates						
Water Year						
2019-2020, 2020-2021, 2021-2022						
Zone 6						
REVENUE REQUIREMENTS					Rates ²	
<u>Component</u>		<u>Rate (\$/AF)</u>	<u>Quantity (A/F)¹</u>	<u>Amount</u>	<u>Ag</u> (per A/F)	<u>M & I</u> (per A/F)
SOURCE OF SUPPLY O&M						
AG		\$ 18.68	23,974	\$ 447,851	\$ 18.68	
M&I		\$ 18.68	4,877	\$ 91,110		\$ 18.68
PERCOLATION COSTS						
Cost of Water						
AG	Cost of Water ³	\$ 53.51	2,105	\$ 112,612	\$ 4.70	
M&I	Cost of Water ³	\$ 163.58	428	\$ 70,036		\$ 14.36
Power Costs						
AG	Power Charge for percolation	\$ 58.83	2,105	123,812	\$ 5.16	
M&I	Power Charge for percolation	\$ 58.83	428	25,188		\$ 5.16
TOTAL					\$ 28.54	\$ 38.21
Current Groundwater Charge ⁴ (per acre foot)					\$ 7.95	\$ 24.25
RECOMMENDED Rate Basis (per acre foot)						
Water Year 2019-2020					\$ 12.74	\$ 38.21
Water Year 2020-2021					\$ 13.12	\$ 39.36
Water Year 2021-2022					\$ 13.51	40.54
RECOMMENDED CHARGES (per acre foot)					\$ 12.75	38.25
Water Year 2019-2020					\$ 13.15	39.40
Water Year 2020-2021					\$ 13.55	40.55
Water Year 2021-2022						
Notes:						
1 Assumed Volumes						
Groundwater usage (based on average of past 4 years)						
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 charge adopted by San Benito County Water District Board of Directors in January 2017 (Ag) and January 2016 (M&I)						
5 Assumed volumes for percolation (based on 3 year average)						
Ag		83%	2105			
M&I		17%	428			
Total		100%	2533			
6 Annual escalation rate		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