

## SECTION 6.0 SAN BENITO COUNTY WATER DISTRICT WATER SERVICES

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### 6.1 Overview

The San Benito County Water District (SBCWD) was formed in 1953 by a special act of the State Legislature. The San Benito County Water Conservation and Flood Control Act gave the District broad powers for the conservation and management of water throughout San Benito County, including flood, surface, drainage and groundwater. The District merged with the Hollister Irrigation District and became the successor to the Irrigation District's water rights, infrastructure and land interests. In 1988, the San Benito County Water Conservation and Flood Control District changed its name to the San Benito County Water District. The District's boundaries are coterminous with the County of San Benito.

SBCWD is the primary water resource management agency within the County, providing groundwater management as well as serving as the Central Valley Project contractor that enables imported water to be delivered to the county. The District provides services through zones of benefit: District Administration (countywide Zone 1), San Benito River System (Zone 3), San Felipe Project (Zone 6), and Rural Water Systems (Harmony Hills Water System Zone 103 and Fairview Road Water System Zone 104). The District operates and maintains US Bureau of Reclamation (USBR) facilities for transport, delivery and storage of Central Valley Project water, including the San Justo Reservoir and the San Felipe Reach 1 facilities in conjunction with the Santa Clara Valley Water District. The District also owns and operates facilities to carry out its services within the county, such as the San Felipe Distribution System and the San Benito River System that includes the Hernandez and Paicines Reservoirs.

The District's profile is shown in *Table 6.1*. A map of the Gilroy-Hollister groundwater basin subbasins within San Benito County is shown in *Figure 6.1*, and a map of the District's Zone 6 boundary depicting the San Felipe Project benefit area is shown in *Figure 6.2*.

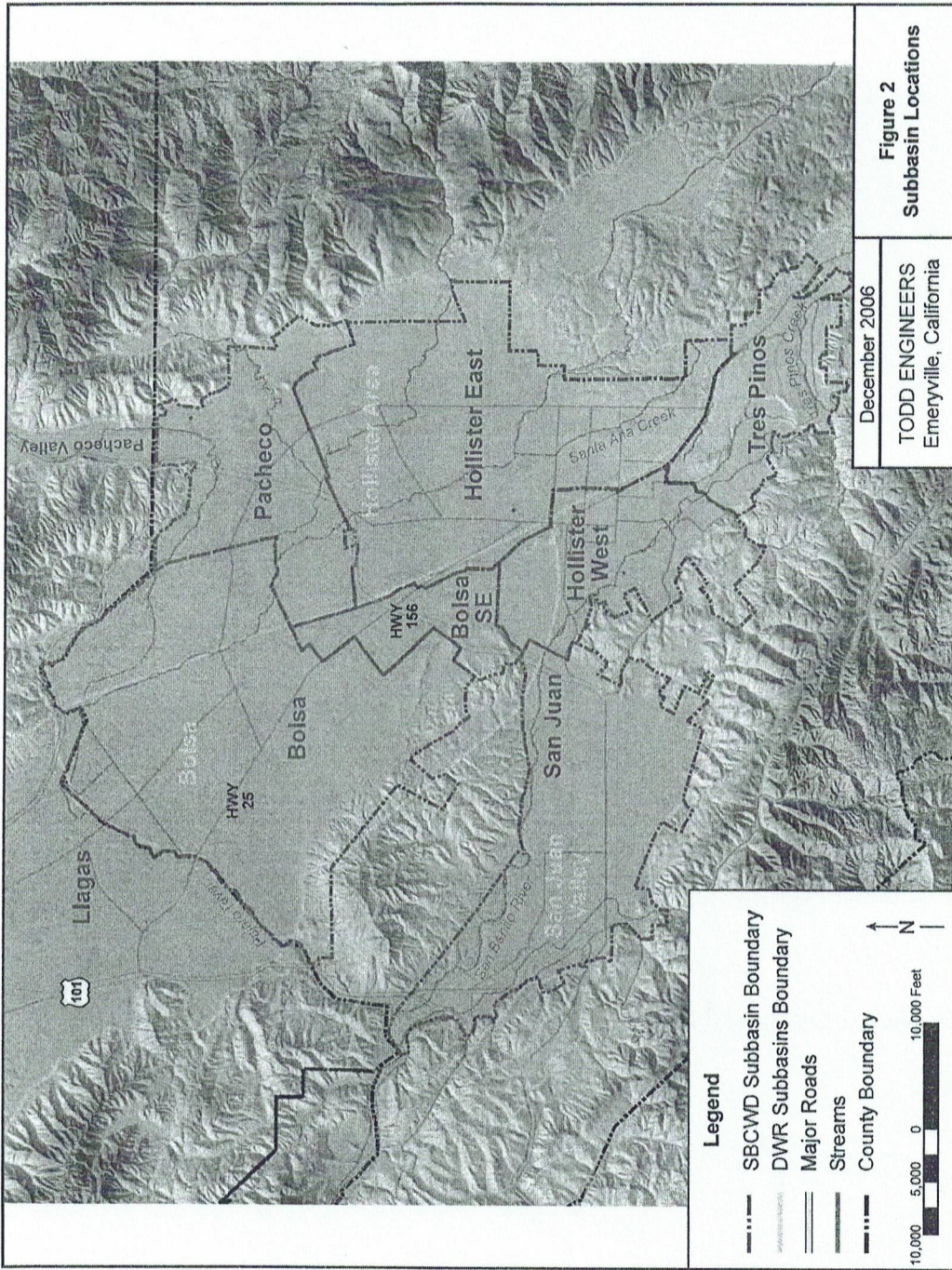


Table 6.1  
San Benito County Water District  
Water Service Information

Service Area / Financial Summary	
District Office:	30 Mansfield Road – PO Box 899 Hollister, CA 95024-0899 (831) 637-8218 / (831) 637-7267 fax www.sbcwd.com
Service Area:	1,500 square miles (entire County)
Population:	Approx. 58,400 (2007) / 83,800 (2030) Average Annual Growth Rate = 2.0%
Operating Budget (2007/2008):	Projected revenues / expenditures:\$12,132,200/ \$9,541,147
Net Assets 06/30/2006:	\$58,579,274
Water Service Data	
Services	Water Management – flood, surface, drainage, groundwater
Water Supply	Groundwater: Gilroy-Hollister Valley Groundwater Basin Surface Water: imported Central Valley Project Water
Number of Service Connections	San Felipe Delivery – 961 services Rural Water Systems – 26 services
Miles of Water Conduit/Main / Number of Pump Stations	120 miles / 4 pump stations
Storage Capacity for Surface Water	Hernandez Reservoir – 17,200 af Paicines Reservoir – 2,870 af San Justo Reservoir – 11,000 af



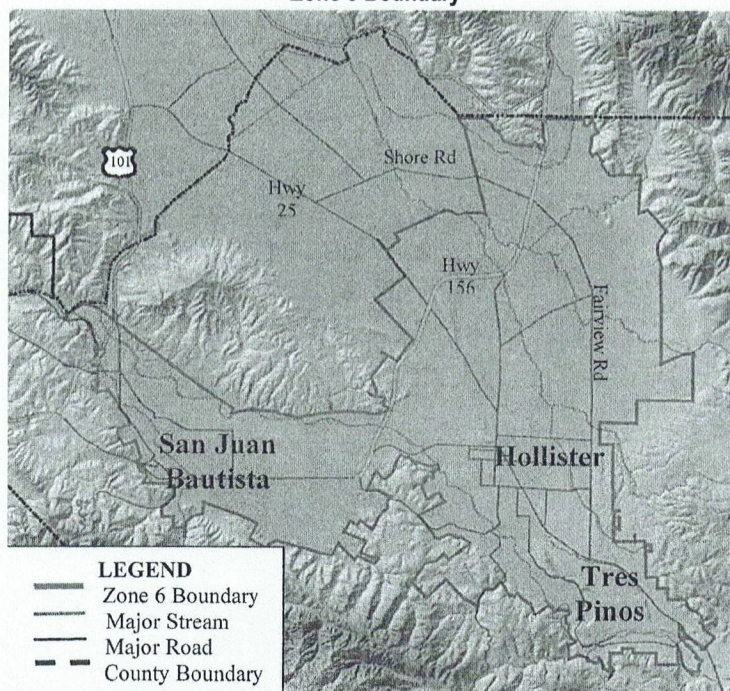
Figure 6.1  
Gilroy-Hollister Groundwater Basin  
Sub-basins in San Benito County



Source: SBCWD Annual Groundwater Report for Water Year 2006



Figure 6.2  
San Benito County Water District  
Zone 6 Boundary



Source: SBCWD Annual Groundwater Report for Water Year 2006

## 6.2 Growth and Population Projections

The boundaries of the San Benito County Water District are coterminous with San Benito County, an area of approximately 1,500 square miles. The largest population center is the City of Hollister; other residential communities include the City of San Juan Bautista and the unincorporated community of Tres Pinos. The State Department of Finance estimates the population of San Benito County to be 57,803 at January 1, 2007.<sup>1</sup> The Association of Monterey Bay Area Governments (AMBAG) has adopted population projections through 2030 for San Benito County. AMBAG projections indicate a population of 83,791 in 2030, with an average annual growth rate of 2.0 percent.<sup>2</sup>

Future growth within the County of San Benito and the City of Hollister will be limited by adopted growth management policies for both governments. The County of San Benito adopted a Growth Management System (Ordinance No. 751) that restricts population increases associated with new residential development to one percent per year. For Hollister, the City adopted

<sup>1</sup> California Department of Finance, Population Estimates for Cities, Counties and State, 2001-2007 (Table E-4)

<sup>2</sup> Association of Monterey Bay Area Governments, Projections adopted by the AMBAG Board of Directors April 14, 2004.



Ordinance No. 959 limiting growth to 244 residential units per year depending on the status and capacity of the City's domestic wastewater treatment facility. Currently there is a building moratorium within the city until improvements to the plant are completed. In 2002, Hollister's voters approved Measure U, which maintains the limit of 244 units per year and requires voter approval for changes to the program and General Plan.

Nevertheless, continued pressure for development is expected, particularly due to the growth in southern Santa Clara County.

### **6.3 Infrastructure Needs or Deficiencies**

The San Benito County Water District is the primary water resource management agency within San Benito County, with management responsibilities ranging from flood control and drainage to surface and groundwater management. The District is the Central Valley Project contractor for San Benito County, importing water for municipal and industrial uses as well as agricultural use.

The District has constructed water facilities and/or operates and maintains water facilities in four zones of benefit in San Benito County:

- **Zone 3:** This is the voter approved zone of benefit for the Hernandez Dam and Reservoir Project including Paicines Reservoir and spreading areas in the San Benito River and Tres Pinos Creek. Water is stored in these reservoirs during the rainy season and is released during the growing season into the San Benito River for percolation downstream into the benefit areas around Tres Pinos, Hollister, and San Juan Bautista to supplement groundwater supplies. The zone depends entirely upon its share of the base property tax for revenue.
- **Zone 6:** This is the voter approved zone of benefit for the import of Central Valley Project water and the conjunctive management of the groundwater in the zone. This includes operation and maintenance of, and repayment for, San Benito County's portion of the San Felipe Division of the Central Valley Project. San Felipe Division facilities transport water from the San Luis Reservoir in the Central Valley, divert the District's share into San Benito County, and deliver that share to District facilities.

Water is then served to agricultural and municipal customers through a local distribution system and/or percolated into the groundwater. A fairly complex system of rates, taxes, assessments and charges are imposed on customers for the purpose of paying the federal government for the water delivered to the District's system, to pay the District's allocation of the federal investment in the San Felipe Division facilities for the operation, maintenance, repair, and replacement of these facilities including joint use facilities



operated by the Santa Clara Valley Water District, and to take other actions as necessary to fulfill the purposes of Zone 6.

- **Zone 103:** This is the zone of benefit for the Harmony Hills Water System located in the San Juan Canyon area. The District owns, operates, and maintains a system for service of domestic water to a community of 22 lots. Rates and charges are assessed to cover the District's costs of operation and maintenance and assessments adopted in a Proposition 218 process provide funds for replacement and support of design and funding efforts to rebuild the system.
- **Zone 104:** This is the zone of benefit for the Fairview Road Water System located near Fairview and Fallon Roads. The District owns, operates and maintains water facilities for the service of domestic water to four lots within this subdivision.

### 6.3.1 Water Supply and Demand

The District manages groundwater resources within the portion of the Gilroy-Hollister groundwater basin that underlies San Benito County. The Gilroy-Hollister groundwater basin is not adjudicated; and therefore, there are no legal requirements regarding maintaining a safe yield, the amount and location of groundwater production, or recharge. The groundwater storage capacity of the basin is approximately 500,000 acre feet; the approximate average safe yield is estimated to be between 40,000 to 50,000 acre feet per year (af/yr).<sup>3</sup> The Basin includes several subbasins: San Juan, Hollister West, Hollister East, Bolsa, Pacheco, Bolsa Southeast, and Tres Pinos.

SBCWD manages the Basin through an adopted Groundwater Management Plan and the District's Groundwater Monitoring Program. The Water Resources Association of San Benito County<sup>4</sup> prepared the *Groundwater Management Plan Update for the San Benito County Part of the Gilroy-Hollister Groundwater Basin* (Revised, April 2004) with the SBCWD as the lead agency for environmental review and implementation. This Plan updates the *1998 Groundwater Management Plan* that was prepared by a consortium of water service providers within the county. The *1998 Groundwater Management Plan* and *2004 Update* were prepared voluntarily by the agencies and are intended to meet the State's requirements for Groundwater Management Plans as identified in California Water Code Section 10753 et seq. The *2004 Update* addresses issues related to water quantity and quality, including pending imbalance of supply and demand due to planned growth and constraints on adequate disposal of wastewater. The Plan uses an estimated yield of 54,000 af/yr. In addition, SBCWD prepares an *Annual Groundwater Report*

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<sup>3</sup> Water Resources Association of San Benito County. Groundwater Management Plan Update. April 2004

<sup>4</sup> The Water Resources Association of San Benito County was formed by the City of Hollister, City of San Juan Bautista, San Benito County Water District, and the Sunnyslope County Water District.



that assesses groundwater use, water quality, and changes to groundwater levels. Active groundwater management is critical, as the subbasins have historically been overdrafted and the water quality impacted by agricultural land use and wastewater disposal. Conjunctive management of groundwater and surface water sources is essential to the long-term sustainability of the groundwater resources. Detailed information on the groundwater basin and subbasins is included in Appendix A.

Groundwater recharge occurs through local surface waters, San Felipe water released into local creek channels for percolation, and percolation of municipal wastewater. According to the *Annual Groundwater Report for Water Year 2006*, none of the subbasins are in a state of overdraft.<sup>5</sup>

Groundwater quality throughout the region is variable, impacted by historic agricultural land use and municipal wastewater discharge through septic systems, percolation ponds, and land application. It should be noted that groundwater quality changes slowly; according to the *SBCWD Annual Groundwater Report for Water Year 2005*, “Salinity and nitrate concentrations in water supply wells will probably increase over the next several decades even if all sources of contamination were eliminated today.” Groundwater tables are high in some parts of the region, and wastewater percolation and wet weather exacerbate the situation. SBCWD actively works with local agencies to ensure that agency activities and programs are carried out in a manner that provides the greatest protection to the groundwater basin and allows for groundwater recharge at optimal times.

SBCWD is the Central Valley Project contractor within San Benito County and imports water for municipal and industrial (M&I) uses as well as for agricultural irrigation. SBCWD’s 40-year contract with the US Bureau of Reclamation is for a maximum of 8,250 acre feet per year (af/yr) for M&I use and 35,550 af/yr for agricultural use. The SBCWD agreement expires in 2027; the District is negotiating renewal of the contract.

Central Valley Project (CVP) water includes regulated and unregulated flows from storage releases from Shasta, Folsom, and Clair Engle reservoirs into the Sacramento River. Due to conditions in the Bay-Delta and other legal actions, some CVP water has been reallocated for legal and institutional purposes, reducing the amount available to CVP contractors. Furthermore, USBR contracts allow for delivery reductions during water shortages due to regulatory restrictions and drought. USBR’s Municipal and Industrial (M&I) Water Shortage Policy was developed to establish CVP water supply levels that would sustain urban areas during severe or continuing droughts. The Policy provides for a minimum allocation of 75 percent of adjusted historical use until irrigation allocations fall below 25 percent. In critically dry years, CVP

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<sup>5</sup> San Benito County Water District. *Annual Groundwater Report for Water Year 2006*



deliveries for M&I contracts could be as low as 35 percent of the contracted amount with no agricultural deliveries. For Water Year 2007, urban contractors south of the Delta may receive a maximum allocation of 75 percent and agricultural contractors will receive 50 percent.

The water supply and demand within the San Benito portion of the Gilroy-Hollister Groundwater Basin is summarized below in *Table 6.2*.

**Table 6.2**  
**San Benito Portion of Gilroy-Hollister Groundwater Basin**  
**Estimated Water Supply and Demand**  
**(AF/Yr)**

	2003	2004	2005 est.	2006*
<b>Groundwater</b>				
<b>Inflow:</b>				(see note)
Natural Stream Flow	9,656	5,938	15,823	
San Felipe Releases	1,074	1,019	527	
Hernandez/Paicines Releases	2,898	1,222	5,772	
Rainfall	3,610	8,636	11,840	
Irrigation	4,335	4,645	3,507	
Reclaimed Water Percolation	3,744	3,635	3,490	
Groundwater Inflow	15,500	13,500	13,000	
<b>Total Inflow</b>	<b>40,817</b>	<b>38,594</b>	<b>53,960</b>	
<b>Outflows:</b>				
Agricultural Wells	24,735	26,180	21,144	
Domestic/Municipal/Industrial	8,037	8,201	7,821	
Groundwater Outflow	9,000	8,500	11,000	
<b>Total Outflows</b>	<b>41,822</b>	<b>42,881</b>	<b>39,965</b>	
<b>Inflows less Outflows</b>	<b>(1,005)</b>	<b>(4,287)</b>	<b>13,995</b>	
<b>Water Level Change</b>	<b>4,111</b>	<b>(5,532)</b>	<b>14,939</b>	
<b>San Felipe Water</b>				
Agricultural Use	18,615	20,267	17,454	
Domestic Use	174	175	160	
Municipal Use	2,945	3,569	2,770	
<b>Total San Felipe Water Use</b>	<b>21,734</b>	<b>24,011</b>	<b>20,384</b>	
<b>TOTAL DEMAND – Ag, Domestic and M&amp;I</b>	<b>54,556</b>	<b>58,391</b>	<b>49,349</b>	<b>42,530*</b>

Source: SBCWD Annual Groundwater Reports

\*In 2006, SBCWD changed its report structure and data is reported differently. Total water use for 2006 is reported at 42,530 af. CVP deliveries were 22,992 af.

The 2004 *Groundwater Management Plan Update* estimates the potential supply availability based on hydrologic conditions and delivery scenarios for CVP water:



Table 6.3  
Potential Water Supply Availability

	Wet Year (WY 1998)	Normal Year (WY 2001)	Estimated Dry Year	Estimated Critically Dry Year
<b>Local Supplies</b>				
Zone 6: Natural from Rainfall, Stream Percolation, and San Felipe Releases	36,685	15,444	10,000	0
Bolsa, Paicines Tres Pinos Natural from Rainfall and Stream Percolation	11,536	4,791	4,000	0
Local Surface Water (Paicines and Hernandez Percolation)	450	6,917	350	0
Deep Percolation of Domestic/Irrigation Water	9,438	10,403	10,400	10,400
Groundwater Inflow	10,000	12,500	7,000	5,000
Recycled Water Recharge/Reuse	3,557	3,338	3,000	3,000
Other Local Surface Water	112,200	30,810	1,050	0
Cienega Groundwater	489	489	350	200
<b>Total Local Supplies</b>	<b>184,355</b>	<b>84,692</b>	<b>36,150</b>	<b>18,600</b>
<b>Imported Surface Water</b>				
M&I (% of Contract)	(100%) 8,250	(85%) 7,012	(75%) 6,188	(35%) 2,888
Ag (% of Contract)	(100%) 35,550	(65%) 23,108	(50%) 17,775	0
<b>Total Imported Surface Water</b>	<b>43,800</b>	<b>30,120</b>	<b>23,963</b>	<b>2,888</b>
<b>Total Potential Local and Imported Water Supplies</b>	<b>228,155</b>	<b>114,812</b>	<b>60,113</b>	<b>21,488</b>

Source: SBCWD 2004 Groundwater Management Plan Update

With respect to future demand for the Gilroy-Hollister groundwater basin within San Benito County, the 2004 Groundwater Management Plan Update considers the growth management ordinances for the City of Hollister and the County. The estimated water demands in 2022 are summarized in Table 6.4.

Table 6.4  
Estimated Population and M&I and Agricultural Water Demands

	Water Demands 2002 (AF/Yr)	Population 2002	Est. Water Demands 2022 (AF/Yr)	Est. Population 2022
<b>Municipal and Industrial</b>				
City of Hollister	4,834	36,338	5,665	53,600
City of San Juan Bautista	274	1,597	270	1,949
Total M&I Urban Areas	5,108	37,935	5,934	55,549
Other Unincorporated County	2,789	17,986	2,741	21,946
Non-residential Demand	2,790		2,790	
Total M&I Demands / Population	10,687	55,921	11,465	77,495
Total Agricultural Demands	54,076		74,880	



Table 6.4  
Estimated Population and M&I and Agricultural Water Demands

	Water Demands 2002 (AF/Yr)	Population 2002	Est. Water Demands 2022 (AF/Yr)	Est. Population 2022
Total Other Demands	3,000		3,000	
<b>Total Demand</b>	<b>67,763</b>		<b>89,345</b>	

Source: 2004 Groundwater Management Plan Update

As shown in *Tables 6.3 and 6.4* above, over the next 15 years water demands for municipal and industrial use are projected to increase 7.3 percent and agricultural water demands are projected to increase 38.5 percent. Within this same period imported water supplies could vary significantly depending on hydrologic conditions both locally and throughout the State. Groundwater will be essential to meet future demands, and groundwater availability and quality will be critical. In keeping with its mission, SBCWD is implementing a broad range of programs to ensure water supply reliability and sustainability. Key initiatives and activities include the following:

- Annual Groundwater Report and North Area Groundwater Management Plan in conjunction with implementation of the *2004 Groundwater Management Plan Update*
- San Benito County Regional Recycled Water Project in cooperation with the City of Hollister
- Agricultural Water and Nutrient Management to assist farmers in using water and nutrients more efficiently and limiting the impact on surface and groundwater
- Hollister Urban Area Water and Wastewater Master Plan, in cooperation with the City of Hollister and the County. The Plan will include projects and programs to provide:
  - A reliable, sustainable water supply for the Hollister urban area;
  - Uniform, predictable water quality (reducing the need for customer water treatment)
  - Provision for facilities and operational flexibility to coordinate surface and groundwater use to achieve groundwater management objectives;
  - Production of wastewater effluent with mineral characteristics suitable, with minimum additional treatment, for unrestricted reuse for urban and agricultural irrigation.
- Demineralization Feasibility Study in cooperation with the Santa Clara Valley Water District to assess treatment technologies, brine management, and cost effectiveness of treating high total dissolved solids (TDS) groundwater



- Pajaro Watershed Integrated Water Resource Plan in cooperation with the Pajaro Valley Water Management Agency and the Santa Clara Valley Water District to develop a plan that preserves economic and environmental well being of the Pajaro River watershed.
- San Juan Valley Water Management Plan to address stormwater management in the San Juan Valley.

SBCWD has not adopted an Urban Water Management Plan as required in California Water Code Section 10610 et seq. The *2005 Urban Water Management Plan Update* was to be submitted to the State by December 31, 2005 on a five year update cycle. The Plan is required to include an analysis of water supply reliability, factoring in projected growth, water supply and demand, and scenarios that consider normal, single dry year, and multiple dry year conditions in the near term as well as a 20 year planning horizon. SBCWD, the City of Hollister, and SSCWD are collaborating on the Plan, but it has not been completed.

### **6.3.2 Water System Infrastructure**

Central Valley Project water is delivered to San Benito County from the San Luis Reservoir located on the eastern side of the Diablo Range, approximately 20 miles northeast of Hollister. The water is transported via the Pacheco Pumping Plant, Pacheco Tunnel, Pacheco Conduit, and Hollister Conduit. These facilities were completed in 1986. The Pacheco Pumping Plant, Pacheco Tunnel, and Pacheco Conduit comprise the San Felipe Project and are owned by the federal government. The San Felipe Project serves SBCWD, the Santa Clara Valley Water District, and the Pajaro Valley Water Management Agency. These three agencies share in the capital and operational costs for the Project in accordance with the terms of their agreements with USBR. The Hollister Conduit extends from the Pacheco Conduit near the Santa Clara County border to the San Justo Reservoir southeast of Hollister. The Hollister Conduit is pressurized by gravity. The Hollister Conduit and San Justo Reservoir are maintained and operated by SBCWD.

SBCWD owns and operates the distribution system that delivers San Felipe water to customers within Zone 6. The system is comprised of 12 subsystems and includes approximately 120 miles of pressurized pipeline. SBCWD does not own or operate any treatment facilities, so direct use of San Felipe water is for irrigation purposes only. San Felipe water is used at the LESSALT Water Treatment Plant owned by the City of Hollister and the Sunnyslope County Water District.

The District owns the Hernandez and Paicines Reservoirs. The Hernandez Reservoir was constructed in 1961. It is located on the San Benito River approximately 43 miles southeast of Hollister. The reservoir stores runoff from the upper San Benito River watershed and has a capacity of 17,200 acre feet. The Paicines Reservoir has a capacity of 2,870 acre feet. It is filled



by diversions from the San Benito River as well as natural runoff and releases from the Hernandez Reservoir. The two reservoirs are operated under permits issued the State Department of Water Resources Division of Safety of Dams. The San Justo Reservoir has seepage and stability issues that limit the operational capacity of the facility, which in turn limits the use of the Hollister Conduit. The District is working with USBR to develop a plan to correct this situation.

SBCWD is planning for and/or implementing a number of infrastructure improvements, including the following:

- Pacheco Pumping Plant improvements to replace obsolete equipment (Santa Clara Valley Water District is the lead agency)
- Rehabilitation of the Harmony Hills community water system
- Management and control of seepage at the San Justo Dam to reduce or remove the operating limitations imposed by USBR

## 6.4 Financing Constraints and Opportunities

The primary sources of revenue for SBCWD are taxes and assessments and service charges for groundwater and imported water, and power surcharges to recover the cost of pumping for water delivery. The District has no long-term debt. *Table 6.5* summarizes the financial history of the District.

**Table 6.5  
San Benito County Water District  
Financial Summary**

	2004/2005 Actual	2005/2006 Actual	2006/2007 Budget	2007/2008 Budget
Operating Revenues	\$3,373,196	\$3,317,267	\$2,784,000	\$2,696,650
Operating Expenses (inc. depreciation)	\$5,797,725	\$6,164,759	\$8,486,739	\$9,541,147
Net Non-operating Revenues / (Expenses)	\$5,750,119	\$7,063,032	\$9,617,588	\$9,435,550
Capital Contributions	0	0	0	0
Change in Net Assets	\$3,325,590	\$4,215,540	\$3,915,449	\$2,591,053
Beginning Balance	\$49,935,074	\$53,260,664		
Net Assets, End of Year	\$53,260,664	\$57,476,204		

At June 30, 2006, SBCWD had \$57,476,204 in net assets, of which \$751,068 were restricted and \$35,952,089 were unrestricted. This includes approximately \$33,768,957 in cash and cash



equivalents. The District designates reserves for various purposes as shown below (reserves at June 30, 2006):

▪ Operations	\$2,736,257
▪ Capital Asset Replacement	\$1,266,545
▪ Capital Improvements	\$1,151,200
▪ Retiree Medical	\$44,161
▪ Self-Insurance	\$100,000
▪ USBR O&M Deficit	\$2,582,793
▪ USBR Contract Payment	\$11,522,387
▪ USBR Contract Renewal Charges	\$2,591,375
▪ Water Supply Emergency	\$467,175
Total	\$22,461,893

The District has financial obligations with respect to the contract with USBR for water service and operation and maintenance of certain works of the San Felipe Division of the Central Valley Project. The District's contract term extends through 2027, and the District is in the process of renegotiating the contract. Unlike other contracts that recover current year operating costs along with USBR capital costs over a 50 year period, the current agricultural rates paid by SBCWD do not provide for San Felipe Division facility capital costs. This issue is part of the District's current renegotiation of its CVP contract. Depending on the outcome, the District may be faced with significant future CVP rate increases for agricultural water and therefore has designated a portion of its reserves for this purpose (USBR Contract Renewal Charges).

SBCWD uses a pay as you go approach for infrastructure projects. The District has the financial resources to maintain adequate service levels and to provide for capital needs in a timely manner.

## 6.5 Cost Avoidance Opportunities

The District is controlling costs by sharing facilities with other local and regional water agencies and by actively managing groundwater and surface water resources. The District is coordinating with other agencies to ensure that agency activities do not minimize the benefit of groundwater recharge or impact groundwater quality. The District contracts for services for operations, maintenance, and program consulting, as well as legal, engineering, accounting, etc. This helps the District control personnel costs.

## 6.6 Opportunities for Rate and Fee Restructuring

The District provides services through zones of benefit: District Administration (countywide Zone 1), San Benito River System (Zone 3), San Felipe Project (Zone 6), and Rural Water



Systems (Harmony Hills Water System Zone 103 and Fairview Road Water System Zone 104). The District regularly reviews rates and adjusts them as necessary based on projected costs and capital needs.

District administration (Zone 1) is funded primarily through the District's share of the base property tax and a Zone Administration tax, with some revenue from interest and investments, and rents and leases. The San Benito River System (Zone 3) is funded through the District's share of the base property tax and revenue from interest and investments. The San Felipe Project (Zone 6) services are funded through service charges, interest and investment revenues, base property tax revenue, a land only tax, standby and availability charges, as well as fee income and grants. The Harmony Hills Water System Zone 103 is funded through service charges and a water system assessment. The Fairview Road Water System is funded through a water system assessment.

The current water rate structure for groundwater use in Zone 6 was adopted in January 2002. The current rate structure for San Felipe Distribution System water was adopted in January 2003. The current rate structure for Zone 103 was adopted in March 2003 and in July 2005 for Zone 104.

The District's current service rates shown in *Table 6.6* below:

**Table 6.6  
San Benito County Water District  
Water Rates  
(per acre foot)**

Type	All Accounts
<b><i>Groundwater Use Charge – Zone 6</i></b>	
Municipal and Industrial purposes	\$21.50/af
Agricultural purposes	\$1.50/af
<b><i>San Felipe Distribution System Water Charge – Zone 6</i></b>	
Agricultural	\$85/af – non full cost \$240/af – full cost* (RRA Sec. 205a3)
Municipal and Industrial	\$160/af
Small Parcel Service – 5 acres or less	\$27 – agric. (bi-monthly) \$27 – M&I (bi-monthly)
Power Charge – Subsystem Rates	2: \$23.60/af 6H: \$36.05/af 9H: \$65.75/af 9L: \$34.70/af All others: \$18.40/af
<b><i>Harmony Hills Water System – Zone 103</i></b>	
Assessment	Based on parcel
Residential Service	Water: \$78/month Energy Surcharge: \$21/month



<b>Fairview Road Water System – Zone 104</b>	
Assessment	Based on parcel
Residential Service	Water: \$62/month

\*Full cost rates for agricultural users apply to landholders that have exceeded their non-full cost entitlement.

## **6.7 Opportunities for Shared Facilities**

SBCWD shares facilities with a number of agencies. It shares imported water facilities with the Santa Clara Valley Water District and Pajaro Valley Water Management Agency, and is signatory to the San Luis and Delta-Mendota Water Authority Joint Powers Agreement, which operates certain federal water facilities for the pumping and transportation of water from the Sacramento/San Joaquin Delta to San Luis Reservoir and the Mendota Pool. The District is a founding member of the Water Resources Association of San Benito County, a planning and oversight organization for water resources within the County. SBCWD, the County, and the City of Hollister have entered into a Memorandum of Understanding for development and maintenance of the *Hollister Urban Area Water and Wastewater Master Plan*, under which the District will have responsibility for surface and groundwater treatment and for recycled water distribution outside the City of Hollister. In addition, the District partners with the Santa Clara Valley Water District and the Pajaro Valley Water Management Agency for water resource planning and projects.

SBCWD partnered with the City of San Juan Bautista in developing the San Juan Bautista Infrastructure Program and in securing grants for design and construction. However, at the request of the City, the District withdrew from the construction grant and pledged \$2 million to the City upon the City's completion of a surface water treatment plant. San Juan Bautista's grant has been rescinded; however, the City believes it can fulfill its legal, financial, and performance obligations and is in negotiations with the Economic Development Administration to have the grant restored so the City can move forward with the project.

## **6.8 Evaluation of Management Efficiencies**

SBCWD operates under the direction of the General Manager, with oversight from the elected Board of Directors. The District uses its annual budget, management plans, and studies to guide District programs and operations.

## **6.9 Government Structure Options**

SBCWD is an independent special district created by a special act of the State legislature. The District's boundaries are coterminous with the County of San Benito. The District provides comprehensive services related to water resource management, including importing Central



Valley Project water, groundwater management, flood control, and drainage. The District has discussed business arrangements and/or a reorganization with the Pacheco Pass Water District that would transfer the Pacheco Pass Water District's facilities and services to SBCWD. The benefits of this include leverage the use of existing storage capacity to benefit groundwater recharge activities with San Felipe water.

SBCWD provides facilities for fire service to the Casa de Fruta complex in Santa Clara County. This service is covered by agreements with Casa de Fruta and the Santa Clara Valley Water District.

No other agency was identified that could provide all of the services of the District on a county-wide basis. Other than a potential reorganization with the Pacheco Pass Water District, no other government structure options were noted.

### 6.10 Local Accountability and Governance

SBCWD was formed in 1953 as a water conservation and flood control district by a special act of the State legislature. The District is governed by a Board of Directors directly elected by the voters in five divisions. The boundaries of each division are coterminous with the supervisory districts of the County. The last contested election was in November 2006. Governance for the District is summarized in *Table 6.7*.

Table 6.7  
San Benito County Water District

<b>Date Formed:</b>	1953		
<b>Statutory Authorization:</b>	San Benito County Conservation and Flood Control District Act (Water Code Appendix §70-1 et seq.)		
<b>District Meetings:</b>	District Office Last Wednesday of each month at 7:30 pm		
Member	Title	Term Expires	Compensation*
Robert Swanson	President- Division 4	November 2010	\$100 per meeting
Frank Bettencourt	Vice-President - Division 3	November 2008	
Sonny Flores	Director- Division 5	November 2008	
Kenneth Perry	Director- Division 2	November 2008	
John Tobias	Director - - Division 1	November 2010	

*\*Directors are entitled to participate in any benefit programs available to all District staff, including medical, dental, vision, and deferred compensation.*

SBCWD Directors serve as District representatives to the following Boards of Directors:

- San Luis and Delta Mendota Water Authority (2 positions)



- Association of California Water Agencies – Joint Powers Insurance Authority
- Pajaro River Watershed Flood Prevention Authority
- Water Resources Association of San Benito County
- Hollister Urban Area Water and Wastewater Master Plan Governance Committee (2 positions)

SBCWD's website ([www.sbcwd.org](http://www.sbcwd.org)) includes information about the District including the Groundwater Management Plan, annual groundwater reports, rates, and information on hydrologic conditions; however some information is no longer current and the District should update the website where necessary. District meetings are open and accessible to the public and meeting notices and Board agendas are posted at least 72 hours in advance at the District office and San Benito County Court House.

## **6.11 Determinations**

### **6.11.1 Growth and Population**

*Purpose: To evaluate service needs based upon existing and anticipated growth patterns and population projections.*

The San Benito County Water District serves all of San Benito County. The population within the County is projected to reach 83,791 in 2030, with an average annual growth rate of 2.0 percent. Future growth within the County will be limited by growth management policies for both the County of San Benito and the City of Hollister. Nevertheless, continued pressure for development is expected, particularly due to the growth in southern Santa Clara County.

### **6.11.2 Infrastructure Needs or Deficiencies**

*Purpose: To evaluate the infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities, and service quality.*

SBCWD manages water resources within San Benito County, including flood, drainage, surface water and groundwater; the District owns, operates and maintains infrastructure for storage and delivery of water within the county. The District imports water from the Central Valley Project for direct use as well as groundwater recharge. The District shares in the financial responsibility for the San Felipe Project infrastructure along with the Santa Clara Valley Water District and the Pajaro Valley Water Management Agency. The District operates and maintains the Hollister Conduit and San Justo Reservoir. The San Justo Reservoir is owned by the federal government; SBCWD is working to address seepage and stability issues to increase the operational capacity of the facility.



### 6.11.3 Financing Constraints and Opportunities

*Purpose: To evaluate a jurisdiction's capacity to finance needed improvements and services.*

SBCWD's primary sources of revenue are taxes and assessments and water sales. The District has the financial resources to maintain adequate service levels and to provide for capital needs in a timely manner. The District uses a pay as you go approach for infrastructure projects and has no long term debt.

### 6.11.4 Cost Avoidance Opportunities

*Purpose: To identify practices or opportunities that may help eliminate unnecessary costs.*

The District is controlling costs by sharing facilities with other local and regional water agencies and by actively managing groundwater and surface resources. The District is coordinating with other agencies to ensure that agency activities do not minimize the benefit of groundwater recharge or negatively impact groundwater quality or availability.

### 6.11.5 Opportunities for Rate and Fee Restructuring

*Purpose: To identify opportunities to impact rates positively without decreasing service levels.*

The District has established service charges for groundwater use, water delivery through the San Felipe pressurized water system, and service charges for two rural water systems. The District also collects a power surcharge for San Felipe water and rural water systems to cover the cost of pumping. The District reviews its rates periodically and adjusts them as necessary to meet increased costs and capital needs.

### 6.11.6 Opportunities for Shared Facilities

*Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.*

SBCWD shares facilities with a number of local and regional agencies related to water resource management. The District operates some US Bureau of Reclamation Facilities related to the San Felipe project, including sharing in the maintenance and operation of the San Felipe Reach 1 with the Santa Clara Valley Water District and operation and maintenance of the San Justo Reservoir, a USBR facility.



### **6.11.7 Evaluation of Management Efficiencies**

*Purpose: To evaluate the internal organizational structure of the jurisdiction.*

SBCWD operates under the direction of the General Manager, with oversight from the elected Board of Directors. The District uses its annual budget, management plans, and studies to guide District programs and operations.

### **6.11.8 Government Structure Options**

*Purpose: To consider the advantages and disadvantages of various government structures to provide public services.*

SBCWD was formed by a special act of the State legislature to provide water resource management services, including water conservation and flood control, throughout San Benito County. The District actively manages the groundwater and surface water resources within the County and coordinates with other agencies regarding future water supply and capital needs in fulfillment of the District's mission and purpose. SBCWD could reorganize with the Pacheco Pass Water District, which would transfer the Pacheco Pass Water District facilities and services to SBCWD. The advantages of this include the ability to leverage existing storage capacity to benefit groundwater recharge activities.

### **6.11.9 Local Accountability and Governance**

*Purpose: To evaluate the accessibility and levels of public participation associated with the agency's decision-making and management process.*

SBCWD is governed by an elected Board of Directors. Meetings are noticed through posting in the District's office and San Benito County Court House. District meetings are open and accessible to the public. SBCWD provides public information via the District's website.