

RESOLUTION NO. 2025-17

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT APPROVING PROPOSITION 218 PROCEDURES FOR WATER RATES PROPOSED TO BE EFFECTIVE ON MARCH 1, 2026

WHEREAS, the San Benito County Water District (“District”) imposes on Zone 6 Water, Groundwater and Recycled Water customers the requirement to pay Zone 6 Water, Groundwater and Recycled Water rates to cover the District’s costs of providing Zone 6 Water, Groundwater and Recycled Water service; and

WHEREAS, the District determined a rate study was needed for the Zone 6 Water, Groundwater and Recycled Water funds; and

WHEREAS, the District engaged Raftelis to prepare the rate study for the Zone 6 Water, Groundwater and Recycled Water and approved a contract for such work on August 14, 2025, and

WHEREAS, on November 5, 1996, California voters approved Proposition 218, compelling specific substantive and procedural requirements to be followed with regard to property related fees; and

WHEREAS, the District’s Board of Directors and staff have reviewed and provided input to the process of developing the rate study for the Zone 6 Water, Groundwater and Recycled Water and recommended that the rate study be brought forward to this Board of Directors; and

WHEREAS, Raftelis has prepared and filed with this Board of Directors the San Benito County Water District Zone 6 Water, Groundwater and Recycled Water Rate Study Report dated November 2025 (“Fee Study Report”), which details the basis of the fee, fee methodology, cost of service analysis and the specific charges proposed to be imposed on each affected customer; and

WHEREAS, the Board of Directors has carefully examined and reviewed the Fee Study Report as presented and is satisfied with the proposed Zone 6 Water, Groundwater and Recycled Water rates, the financial plan, cost of service analysis and rate setting, and is satisfied that the Zone 6 Water, Groundwater and Recycled Water rates do not exceed the funds required to provide the property related service and the amount of the Zone 6 Water, Groundwater and Recycled Water rates do not exceed the proportional cost of the service attributable to each parcel; and

WHEREAS, pursuant to AB 2257, if the District complies with the requirements in Government Code section 53759.1, then ratepayers must bring an objection regarding the proposed Zone 6 Water, Groundwater and Recycled

Water rates to the Board of Director's attention prior to the deadline established by the Board as part of the ratemaking process and any judicial action or proceeding to review, invalidate, challenge, set aside, rescind, void, or annul the Zone 6 Water, Groundwater and Recycled Water rates shall be subject to the requirements set forth in Government Code section 53759.2; and

WHEREAS, to comply with the requirements in Government Code section 53759.1, the District must do the following as part of the Proposition 218 process to consider the Zone 6 Water, Groundwater and Recycled Water rates:

- 1) Establish a deadline for any ratepayer or property owner to submit an objection to the proposed Zone 6 Water, Groundwater and Recycled Water rates that is at least 45 days after the Proposition 218 Notice has been sent; and
- 2) Make the proposed Zone 6 Water, Groundwater and Recycled Water rates and the Fee Study Report available to the public no less than 45 days before the deadline for a ratepayer or property owner to submit an objection; and
- 3) Post on its internet website the Fee Study Report Zone 6 Water, Groundwater and Recycled Water Rate Study, which is a written basis for the proposed Zone 6 Water, Groundwater and Recycled Water rates, and the Proposition 218 Notice and include a link to the Fee Study Report in the Proposition 218 Notice; and
- 4) Mail the Fee Study Report to a ratepayer or property owner on request; and
- 5) Provide at least 45 days for a ratepayer or property owner to review the proposed Zone 6 Water, Groundwater and Recycled Water rates and to timely submit to the Clerk of the Board a written objection to the Zone 6 Water, Groundwater and Recycled Water rates that specifies the grounds for alleging noncompliance; and
- 6) Include in the Proposition 218 Notice:
 - a. A statement that all written objections must be submitted to the Clerk of the Board by the deadline and that failure to timely object in writing bars any right to challenge the proposed Zone 6 Water, Groundwater and Recycled Water rates in court and that any such action will be limited to issues identified in such objections; and
 - b. All substantive and procedural requirements for submitting an objection to the proposed Zone 6 Water, Groundwater and Recycled Water rates; and
- 7) Before or during the hearing, the Board of Directors shall consider and the District shall respond in writing to, any timely written objections. The District's responses shall explain the substantive basis for retaining or altering the proposed Zone 6 Water, Groundwater and Recycled Water rates in response to written objections, including any reasons to reject requested amendments. In exercising its legislative discretion, the Council shall determine whether:

- a. The written objections and the District's response warrant clarifications to the proposed Zone 6 Water, Groundwater and Recycled Water rates;
- b. To reduce the proposed Zone 6 Water, Groundwater and Recycled Water rates;
- c. To further review the proposed Zone 6 Water, Groundwater and Recycled Water rates before determining whether clarification or reduction is needed; or
- d. To proceed with the hearing and absent a majority protest, adopt the rates; and

WHEREAS, if the District adopts the proposed Zone 6 Water, Groundwater and Recycled Water rates in compliance with the requirements of Government Code section 53759.1, no person may bring a judicial action or proceeding alleging that the Zone 6 Water, Groundwater and Recycled Water rates do not comply with the California Constitution or other applicable law, unless that person submitted to the Clerk of the Board a timely, written objection to the Zone 6 Water, Groundwater and Recycled Water rates specifying the grounds for alleging noncompliance. The issues raised in any such action or proceeding shall be limited to those raised in such an objection unless a court finds the issue could not have been raised in such an objection by those exercising reasonable diligence; and

WHEREAS, the District desires to initiate proceedings under Proposition 218, and in compliance with Government Code section 53759.1, to consider the adoption of the proposed Zone 6 Water, Groundwater and Recycled Water rates.

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

1. The above recitals are true and correct.
2. The Fee Study Report is hereby approved and ordered to be filed in the Office of the Clerk of the Board as a permanent record and to remain open to public inspection.
3. The District shall initiate the process for the Board of Directors to consider the proposed Zone 6 Water, Groundwater and Recycled Water rates, in compliance with Proposition 218 and Government Code section 53759.1.
4. The District shall send a Proposition 218 Notice, substantially in the form attached hereto as Exhibit A, which complies with the Proposition 218 and contains the information required by Government Code section 53759.1.
5. All objections to the proposed Zone 6 Water, Groundwater and Recycled Water rates shall satisfy the requirements set forth in the Proposition 218 Notice and shall be received by the District by January 21, 2026.

6. The Clerk of the Board shall post the Fee Study Report and the Proposition 218 Notice to its website and shall include a link to the Fee Study Report in the Proposition 218 Notice. The District shall mail the Fee Study Report to any person upon request.

7. The Board of Directors hereby approves the Notice of Intent, attached to this resolution, to hold a public hearing on January 21, 2026, to consider the proposed Zone 6 Water, Groundwater and Recycled Water rates. Before or during the hearing, the Board of Directors shall consider, and the District shall respond in writing to, any timely written objection in accordance with Government Code section 53759.1.

8. This resolution shall take effect immediately.

FURTHERMORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT DOES HEREBY Adopt Resolution Approving the Zone 6 Water, Groundwater and Recycled Water Rate Report and setting the date and time of a public hearing as part of the Zone 6 Water, Groundwater and Recycled Water Rate approval process and direct staff to complete the proceeding.

BE IT FURTHER RESOLVED that the President of the Board is authorized to sign said Resolution, on behalf of this Board and District.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the San Benito County Water District on November 19, 2025, by the following vote:

AYES: DIRECTORS: Williams, Wright, Flores, Freeman & Tonascia

NOES: DIRECTORS: None

ABSTAIN: DIRECTORS: None

ABSENT: DIRECTORS: None

(Signature of presiding Board member
Attested by Board Secretary
Resolution #2025-17)

ATTEST:

APPROVED:

/s/Barbara L. Mauro
Barbara L. Mauro,
Board Secretary

/s/Doug Williams
Doug Williams, President