

**BOARD OF DIRECTORS
SAN BENITO COUNTY WATER DISTRICT
Agenda For
February 25, 2026
Regular Meeting – 5:00 p.m.
30 Mansfield Road – Hollister, California 95023**

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.

Effective at the April 27, 2022, The Board of Directors is now allowing the public to attend in person at all meetings of the San Benito County Water District Board. We will also continue to offer the meeting via Zoom as well. Regarding virtual participation, members of the public 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/89862665628?pwd=KKt6UAuFwUgbcEabHZfpbuA234DCxO.1>

Meeting ID

898 6266 5628

Passcode:

363903

Dial Only:

Dial by your location

- +1 669 444 9171 US
- +1 346 248 7799 US (Houston)
- +1 719 359 4580 US
- +1 720 707 2699 US (Denver)
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)

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 to the Flag
- b. Roll Call
- c. Speakers will be limited to 5 minutes to address the Board; rebuttal will be limited to 3 minutes; no new business agenda items will be heard after 8:00 p.m.
- d. Approval of Agenda
- e. Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda

CONSENT AGENDA:

(Consent items shall be considered as a whole and without discussion unless a particular item is removed from the consent agenda. Board member may discuss individual items or seek information from staff or legal counsel without removing the item from the Consent Agenda. A member of the public should seek recognition by the President if comment is desired. Approval of consent items shall be made by one motion.)

1. Approval of Minutes for: January 21, 2026 Regular Meeting
2. Allowance of Claims
3. Acknowledgement of Paid Claims prior to the February Board Meeting
4. Consider Resolution Designating Agents to make transfers on the Local Agency Investment Fund (L.A.I.F.)
5. On Call Contracts – Status Updates

REGULAR AGENDA

6. Public Hearing regarding 2026-2027, 2027-2028 and 2028-2029 Zone 6 Water Years San Felipe Distribution System Rates and Charges
 - a. Proof of Mailing and Proof of Publication submitted for Notice of Public Hearing
 - b. Presentation of 2026-2027, 2027-2028 and 2028-2029 Zone 6 Water Years San Felipe Distribution System Rates and Charges
 - c. Open Public Hearing
 - i. Consider Objections and Staff’s Responses to Objections
 - ii. Consider Written Protests
 - d. Close Public Hearing and Adjourn if there is a Majority Protest or continue to later date
 - e. If there is no Majority Protest, Consider Adoption of 2026-2027, 2027-2028 and 2028-2029 Water Years San Felipe Distribution System Rates and Charges
 - i. Consider Resolution Establishing San Felipe Distribution System Water Rates and Charges for Agricultural and Non-Agricultural (Municipal and Industrial) Water for the 2026-2027, 2027-2028 and 2028-2029 Water Years

7. Public Hearing regarding the 2026-2027, 2027-2028 and 2028-2029, Rates and Charges for the Recycled Water
 - a. Proof of Mailing and Proof of Publication submitted for Notice of Public Hearing
 - b. Presentation of the 2026-2027, 2027-2028 and 2028-2029 Rates and Charges for the Recycled Water
 - c. Open Public Hearing
 - i. Consider Objections and Staff's Responses to Objections
 - ii. Consider Written Protests
 - d. Close Public Hearing and Adjourn if there is a Majority Protest or continue to later date
 - e. If there is no Majority Protest, Consider Approval of Resolution for the 2026-2027, 2027-2028 and 2028-2029 Rates and Charges for the Recycled Water
8. Consider Resolution Establishing Temporary Rules and Regulations for the Recycled Water Project.
9. Staff Report on District's 2026 Customer Water Allocations
10. Staff Report on the Pajaro River Watershed Resilience Plan
11. Consider Director Attendance at the May 4, 2026 ACWA JPIA Board of Directors Meeting, Sacramento, California
12. Consider General Manager or his Designee and Director Attendance at the Spring ACWA Conference May 5th through 7th, 2026, Sacramento, California
13. Committee/Agency Representative Reports:
 - a. San Luis and Delta-Mendota Water Authority (Tonascia/Jacobson)
 - b. Pajaro River Watershed Flood Prevention Authority (Flores/Williams)
 - c. Mid Pacific Water Users Conference, January 28th to 30th, 2026, Reno Nevada (Jacobson/Tonascia)
 - d. Recycled Water Committee (Flores/Wright)
 - e. Zone 6 Water Supply & Operations Committee (Tonascia/Wright)
14. Monthly Operations and Maintenance Report

15. General Manager's Report:
 - a. Reach 1 Operations
 - b. Zone 3 Operations
 - c. Zone 6 Operations
 - d. Accelerated Drought Response Project (ADRoP)
 - e. San Luis and Delta-Mendota Water Authority Activities
 - f. City of San Juan Bautista Water Supply Plan
 - g. B F Sisk Dam Raise Project
 - h. Miscellaneous District items

16. **CLOSED SESSION:**
CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code § 54956.9: Two Cases

17. **OPEN SESSION:**
Report of action, if any, from Closed Session Items

18. Adjournment

Adjournment - Unless there is a special meeting prior to that time, the next regular meeting of the Board will be Wednesday, March 25, 2026. Meetings are held at the District office, 30 Mansfield Road, Hollister, California. **LAST DAY TO FILE CLAIMS** against the District is the second Friday of each month, except in November and December. Usually meeting dates change in those months because of holidays. The Board may hold a closed session to discuss personnel matters, litigation or employee negotiations as authorized by the Ralph M. Brown Act, Evidence Code #950-962 or other appropriate State law.

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.



Agenda

Item

1

January 21, 2026
Regular Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, January 21, 2026, at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Mark Wright, Vice President Joe Tonascia and Directors Sonny Flores, John Freeman and Doug Williams. Also present were General Manager Dana Jacobson, District Counsel Jeremy T. Liem, Assistant General Manager Brett Miller, Operations and Maintenance Manager Michael Craig, Water Conservation Program Manager Lundi Barroso-Osorio, Senior Engineer David Macdonald, Office Specialist II Shannon Darnall and Executive Assistant/Board Clerk Barbara Mauro. Jeff Cattaneo participated via Zoom.

CALL TO ORDER

President Wright called the meeting to order at 5:00 p.m.

- a. **Pledge of Allegiance to the Flag**
President Wright led the Pledge of Allegiance.
- b. **Roll Call**
Mrs. Mauro called roll. Members present were: President Wright, Vice President Tonascia and Directors Flores, Freeman and Williams.
- c. **Speakers will be limited to 5 minutes to address the Board; rebuttal will be limited to 3 minutes; no new business agenda items will be heard after 8:00 p.m.**
- d. **Approval of Agenda**
Mrs. Mauro stated, staff would like the Board to amend the agenda for item #8, to read, Consider Approval of Contract with Gallagher Benefit Services, Inc. for a Compensation Study, not to exceed, \$27,500. She explained the information was not available at the time the agenda needed to post on Friday, January 16, 2026. Noting the change, a motion was made by Director Flores and seconded by Vice President Tonascia; the Agenda was approved by 5 affirmative votes, Wright, Tonascia, Flores, Freeman and Williams.
- e. **Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda**
There were no public comments.

CONSENT AGENDA:

- 1. **Approval of Minutes for:**

December 17, 2025	Regular Meeting
January 5, 2026	Special Meeting
January 12, 2026	Special Meeting
- 2. **Allowance of Claims**
- 3. **Acknowledgement of Paid Claims prior to the January Board Meeting**
- 4. **On Call Contracts – Status Updates**

Vice President Tonascia asked for item #5 to be removed from the Consent Agenda, so the report could be presented. With a motion by Director Freeman and a second by Director Williams, the

Consent Agenda items #1-4, were approved by 5 affirmative votes, Wright, Tonascia, Flores, Freeman and Williams.

5. **Water Resources Association-Water Conservation Program Manager's Report December 2025**

Mrs. Osorio reviewed the report for the Board. Vice President Tonascia asked if the landscape audits were for new development. Mrs. Osorio stated yes and gave details on the process. Vice President Tonascia asked about the status of the toilet program for residential use and Mrs. Osorio stated WRA is redirecting their efforts. Also discussed was reaching out to businesses and Vice President Tonascia suggested leaving flyers at businesses such as ACE Hardware and Brigantino Irrigation.

Director Freeman asked about the water softener rebates. Mr. Cattaneo added education is important on this subject, as the old perception is the need for the softeners. The District is working on a \$55 million project to improve and provide reliable water.

Director Flores stated WRA has stated previously that they may have reached a saturation point on the toilet and water softener programs. WRA continues to try and get the message out about conservation.

President Wright asked about Facebook and Instagram and Mrs. Osorio stated WRA and the District have both now.

REGULAR AGENDA

6. **Consider Resolution Adopting the San Benito County Water District 2025 Agricultural Water Management Plan/U.S. Bureau of Reclamation Water Management Plan**

Mrs. Osorio reviewed this item for the Board. She gave the background of the plan and that it is considered every 5 years. The Board's action would be to approve and adopt the plan and the next step would be federal posting for public review. Mrs. Osorio stated once the review is complete, Todd Groundwater will turn the final report into the Department of Water Resources on the District's behalf. Mrs. Osorio added a report such as this, is often needed for state grants and loans.

Director Freeman asked why the San Juan Bautista water levels show a decline. Mr. Jacobson stated it isn't an issue. Mr. Cattaneo further stated the decline is intentional, because back in 2005, that area was oversupplied and resulted in high groundwater. He stated it is now where it should be.

With no questions from the public, a motion was made by Director Williams and seconded by Director Flores, the Board approved Resolution #2026-03, *A Resolution of the Board of Directors of the San Benito County Water District Adopting the San Benito County Water District 2025 Agricultural Water Management Plan/U.S. Bureau of Reclamation Water Management Plan* by 5 affirmative votes, Wright, Tonascia, Flores, Freeman and Williams.

7. **Public Hearing regarding Zone 6 Standby or Availability Charge for the 2026-2027, 2027-2028 and 2028-2029 Water Years**

a. **Proof of Publication submitted for Notice of Public Hearing**

Mrs. Mauro verified the Proof of Publication.

b. **Presentation of the Methodology for Establishing Standby or Availability Charge for the 2026-2027, 2027-2028 and 2028-2029 Water Years**

Mr. Miller presented this item for the Board, giving a brief background on the charge and stated it was being presented at \$6 per acre foot and that amount was unchanged since approval three years ago.

There were no questions from the Board.

c. **Open Public Hearing**

President Wright opened the Public Hearing.

i. **Consider Written Protests**

Mrs. Mauro verified there were no written protests received.

d. **Closing Public Hearing and Adjourn if there is a Majority Protest or continue to a later date**

There were no public comments made, therefore President Wright closed the Public Hearing.

e. **If there is no Majority Protest, Consider Resolution Establishing Standby or Availability Charge for the 2026-2027, 2027-2028 and 2028-2029 Water Years**

Without a majority protest, a motion was made by Vice President Tonascia and seconded by Director Freeman, the Board approved Resolution #2026-04, *A Resolution of the Board of Directors of the San Benito County Water District Establishing Standby or Availability Charge for the 2026-2027, 2027-2028 and 2028-2029 Water Years* by 5 affirmative votes, Wright, Tonascia, Flores, Freeman and Williams.

8. **Consider Approval of Contract with Gallagher Benefit Services, Inc. for a Compensation Study, not to exceed \$27,500**

Mr. Miller reviewed this item for the Board. He stated that from the RFP he distributed, only 1 firm responded, Gallagher Benefit Services, Inc. The proposal included both a class study and a compensation study, for a total of \$59,760. Mr. Miller contacted the vendor and asked what it would be for just the compensation study. Gallagher responded that just the compensation study would be in the amount, not to exceed \$27,500.

Director Freeman asked if Mr. Miller solicited other companies. Mr. Miller stated he sent the RFP to a number of vendors, who all confirmed receipt, but in the end, he only received 1 proposal.

With no further questions from the Board and no questions from the public, a motion was made by Director Williams and seconded by Director Flores, the Board approved of a

Contract with Gallagher Benefit Services, Inc. for a Compensation Study, not to exceed, \$27,500 by 5 affirmative votes, Wright, Tonascia, Flores, Freeman and Williams.

9. **Consider disbanding the Pacheco Reservoir Expansion Project Committee and the Gavilan College New Campus Ad Hoc Committee**

Mrs. Mauro reviewed this item for the Board. Per Counsel, just as the Board takes action to add committees, it needs to do the same to disband a committee. At a meeting in January, staff and the Board President determined the Pacheco Reservoir Expansion Project Committee, and the Gavilan College New Campus Ad Hoc Committee were no longer needed and could be permanently disbanded.

With no questions from the Board or the public, a motion was made by Director Flores and seconded by Director Williams, the Board approved of disbanding the Pacheco Reservoir Expansion Project Committee and the Gavilan College New Campus Ad Hoc Committee by 5 affirmative votes, Wright, Tonascia, Flores, Freeman and Williams.

10. **Committee/Agency Representative Reports:**

a. **San Luis and Delta-Mendota Water Authority (Tonascia/Jacobson)**

As per Director Tonascia, the Operations and Maintenance Budget was discussed. Per Mr. Jacobson, he will add additional information in his manager's report.

b. **Administration Committee (Flores/Williams)**

As per Directors Flores and Williams, this has already been covered.

c. **Personnel Committee (Flores/Tonascia)**

As per Directors Flores and Tonascia, this has already been covered.

11. **Monthly Operations and Maintenance Report**

Mr. Craig gave an update to the Board. Hernandez Reservoir is at 3854 acre-feet; Paicines is at deadpool; San Justo Reservoir is at 8000 acre-feet and the Paicines Canal is looking good. He reported there is a planned shutdown in March, so the District will be on reverse flow. He further reported meter replacements continue and staff is doing soil sampling for the San Juan Bautista Pipeline.

Vice President Tonascia and President Wright complimented Mr. Craig and his staff on the state of the Paicines Canal. Director Williams reported the Paicines Ranch won't allow the District to spray for weeds, so he will contact them about letting the sheep take care of that.

12. **General Manager's Report**

a. **Reach 1 Operations**

Mr. Jacobson reported Mr. Craig covered this.

b. **Zone 3 Operations**

Mr. Jacobson reported Mr. Craig covered this.

c. **Zone 6 Operations**

Mr. Jacobson reported a capital improvement project for replacement of the sectionalizing valves will be underway, as all 3 are leaking. Mr. Jacobson stated

it is a several million-dollar job and is of great importance to the District. Vice President Tonascia asked if the Bureau could contribute to this cost and Mr. Jacobson stated no, but there is a funding arm for the District to borrow from and pay back. Mr. Cattaneo added the Board could consider a committee to assign this to, for long term obligations.

d. Accelerated Drought Response Project (ADRoP)

Mr. Jacobson reported the expansion work at West Hills Water Treatment Plant continues to go well. He further reported change orders are nearing the 5% limit, and also reviewed the change orders to date.

Mr. Jacobson reported the well contracts are all in various stages and data from the wells will be used to design the pumps.

Mr. Jacobson reported the pipeline project is going well, as the weather has been dry. There were some minor delays during the last storm.

Mr. Cattaneo reported, regarding the well contracts, that #4 well, is only showing an output of 400/gallons/minute. The advantage, per Mr. Cattaneo, of working with Todd Groundwater is to use the data to decide if it's worth \$700,000-\$800,000 to redrill this well, as the others are showing 1000/gallons/minute.

Director Williams asked if redrilled, would it be in the same area? Mr. Cattaneo stated it would be in the same area, but likely 15 feet away from the original drill site. President Wright asked which well is #4? Mr. Cattaneo reported it is the one closest to Fallon Road.

e. San Luis and Delta-Mendota Water Authority Activities

Mr. Jacobson further reported the Authority has significant Capital Improvement Projects and have secured funding through the Bureau. Action 5-Operations in the Delta would bring meaningful improvement to their operations and should improve salinity.

f. City of San Juan Bautista Water Supply Plan

Mr. Jacobson stated he had nothing to report at this time.

g. B F Sisk Dam Raise Project

Mr. Jacobson reported next month he will have some information to report to the Board. There will be upcoming cash calls for the District for this project. April 2026, it will be \$82,000 and September 2026 and February 2027, the cash calls will be \$225,000 each. There will also be a true-up, per Mr. Jacobson, in March 2027 which could be \$327,000.

h. Sustainable Groundwater Management Act Compliance

Mr. Jacobson reported the TAC (Technical Advisory Committee) was reinstated and met in early January. It was the first of 2-3 meetings that will be needed.

i. Miscellaneous District items

Mrs. Mauro discussed the future use of Zoom Webinar to protect the District from “Zoom bombing” and make meetings more secure. There will be some testing so we will know how to use it in regards to closed session breakout/return to open session.

13. Adjournment

With no further business to discuss, the meeting was adjourned at 6:01 p.m.

Mark Wright, President

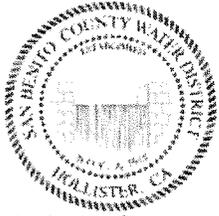
Barbara L. Mauro, Executive Assistant/Board Clerk



Agenda

Item

2



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP-Accounts Payable						
001866	Gutierrez Consultants	02/19/2026	EFT	0.00	15,152.50	7
000018	A-1 Services	02/25/2026	Regular	0.00	828.00	60726
005115	AAA Business Supplies LP	02/25/2026	Regular	0.00	447.83	60727
000081	Alan Zeisbrich	02/25/2026	Regular	0.00	1,207.50	60728
000149	Alpha Analytical Laboratories, Inc.	02/25/2026	Regular	0.00	7,180.00	60729
000415	Before the Movie Inc	02/25/2026	Regular	0.00	453.00	60730
000561	Brigantino Irrigation	02/25/2026	Regular	0.00	48,867.43	60731
000605	C.C.O.I. Gate & Fence	02/25/2026	Regular	0.00	180.00	60732
000740	Cellular Controlled Products	02/25/2026	Regular	0.00	195.00	60733
000869	Cintas Corporation	02/25/2026	Regular	0.00	959.22	60734
000905	CM Analytical Inc	02/25/2026	Regular	0.00	10,945.00	60735
005160	Creative Forms & Concepts Inc.	02/25/2026	Regular	0.00	118.02	60736
001041	Dassel's Petroleum Inc	02/25/2026	Regular	0.00	238.84	60737
001043	Dataflow Business Systems Inc	02/25/2026	Regular	0.00	314.38	60738
001375	Edges Electrical Group	02/25/2026	Regular	0.00	266.29	60739
001409	ELC Consulting	02/25/2026	Regular	0.00	5,742.45	60740
005116	EquipmentShare.com Inc	02/25/2026	Regular	0.00	394.56	60741
001553	Fastenal Company	02/25/2026	Regular	0.00	1,502.77	60742
001567	Ferguson Enterprises, Inc.	02/25/2026	Regular	0.00	1,179.52	60743
001793	Golden State Portables	02/25/2026	Regular	0.00	900.00	60744
001901	HDR Engineering Inc	02/25/2026	Regular	0.00	334,504.49	60745
001949	Hollister Auto Parts Inc	02/25/2026	Regular	0.00	250.07	60746
001968	Hollister True Value Inc.	02/25/2026	Regular	0.00	37.11	60747
002405	John Smith Landfill	02/25/2026	Regular	0.00	49.78	60748
002423	Johnson Lumber Company	02/25/2026	Regular	0.00	739.59	60749
002699	Kennedy/Jenks Consultants Inc.	02/25/2026	Regular	0.00	174,041.69	60750
002766	Kronick, Moskovitz, Tiedemann & Gir	02/25/2026	Regular	0.00	24,419.00	60751
003010	Maggiora Brothers Drilling	02/25/2026	Regular	0.00	27.06	60752
003245	McGilloway, Ray, Brown & Kaufman	02/25/2026	Regular	0.00	12,600.00	60753
003247	McKinnon Lumber, Inc.	02/25/2026	Regular	0.00	68.30	60754
003249	McMaster-Carr Supply Co	02/25/2026	Regular	0.00	1,754.27	60755
003399	Mission Village Voice Media LLC	02/25/2026	Regular	0.00	544.00	60756
005142	Pacific Coast Well Drilling, Inc.	02/25/2026	Regular	0.00	611,581.97	60757
003796	Raftelis	02/25/2026	Regular	0.00	8,333.75	60758
003878	Reserve Account	02/25/2026	Regular	0.00	2,000.00	60759
005170	Revize LLC	02/25/2026	Regular	0.00	15,000.00	60760
004174	Rossi's Tire & Auto Service	02/25/2026	Regular	0.00	1,322.90	60761
004264	San Benito County Environmental H	02/25/2026	Regular	0.00	2,031.00	60762
004364	Sentry Alarm Systems	02/25/2026	Regular	0.00	387.98	60763
004450	Specialty Construction Inc.	02/25/2026	Regular	0.00	718,905.09	60764
004456	Spurzem & Liem LLP	02/25/2026	Regular	0.00	10,687.50	60765
004495	Stericycle, Inc.	02/25/2026	Regular	0.00	888.44	60766
004554	Sunnyslope County Water District	02/25/2026	Regular	0.00	204,996.47	60767
004599	Taliaferro Fence Company Inc	02/25/2026	Regular	0.00	14,950.00	60768
004728	Todd Groundwater	02/25/2026	Regular	0.00	67,483.72	60769
004768	Top Grade Paving	02/25/2026	Regular	0.00	7,500.00	60770
004771	Toro Petroleum Corporation	02/25/2026	Regular	0.00	3,525.97	60771
004802	Turbo Time Welding	02/25/2026	Regular	0.00	1,000.00	60772
004807	Tyler Technologies	02/25/2026	Regular	0.00	3,747.00	60773
004810	U.S. Bank Corporation	02/25/2026	Regular	0.00	4,238.34	60774
004811	U.S. Geological Survey	02/25/2026	Regular	0.00	27,085.00	60775
004854	Verdant Commercial Capital LLC	02/25/2026	Regular	0.00	263.79	60776
004952	Wienhoff & Associates, Inc.	02/25/2026	Regular	0.00	15.00	60777
005015	Wright Bros Industrial Supply	02/25/2026	Regular	0.00	434.75	60778

Check Register

Vendor Number
000604

Vendor Name
C. Overaa & Co

Payment Date
02/25/2026

Payment Type
Bank Draft

Discount Amount Payment Amount Number
0.00 610,704.65 163916721

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	130	53	0.00	2,337,333.84
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	1	1	0.00	610,704.65
EFT's	3	1	0.00	15,152.50
	134	55	0.00	2,963,190.99

Fund Summary

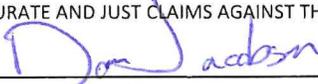
Fund	Name	Period	Amount
999	Pooled Cash	2/2026	2,963,190.99
			<u>2,963,190.99</u>

Authorization Signatures

Board Claims Approval

STATE OF CALIFORNIA
COUNTY OF SAN BENITO

I DO HEREBY CERTIFY, UNDER THE PENALTY OF PERJURY AT HOLLISTER, CALIFORNIA, THAT THE FOREGOING DEMANDS ENUMERATED HAVE BEEN AUDITED; THAT THE SAME ARE ACCURATE AND JUST CLAIMS AGAINST THE DISTRICT; AND THAT THERE ARE FUNDS AVAILABLE FOR PAYMENT.



Dana Jacobson, General Manager



Brett Miller, Assistant General Manager

Mark Wright, Board President



San Benito County Water District

Payment Register

APPKT00248 - Board Claims February 25, 2026

01 - Vendor Set 01

Bank: AP - Accounts Payable

Vendor Number	Vendor Name					Total Vendor Amount
000018	A-1 Services					828.00
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	60726			02/25/2026	828.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
125599	Janitorial Services	02/02/2026	03/30/2026	0.00	828.00	
005115	AAA Business Supplies LP					447.83
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	60727			02/25/2026	447.83	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
2475396-0	Office Supplies	01/13/2026	02/12/2026	0.00	447.83	
000081	Alan Zeisbrich					1,207.50
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	60728			02/25/2026	1,207.50	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
1-2026	Contract Services	02/02/2026	03/04/2026	0.00	1,207.50	
000149	Alpha Analytical Laboratories, Inc.					7,180.00
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	60729			02/25/2026	7,180.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
6018033-DP_SBCWD	ADRoP Water Quality Tests	01/26/2026	02/25/2026	0.00	7,180.00	
000415	Before the Movie Inc					453.00
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	60730			02/25/2026	453.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
58305	On-Screen Ad	02/01/2026	03/03/2026	0.00	453.00	
000561	Brigantino Irrigation					48,867.43
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	60731			02/25/2026	48,867.43	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
220000131717	Maintenance Supplies	12/09/2025	01/08/2026	0.00	31.39	
220000131984	Maintenance Supplies	12/11/2025	01/10/2026	0.00	20,315.80	
220000132300	Maintenance Supplies	12/15/2025	01/14/2026	0.00	549.96	
220000133848	Maintenance Supplies	01/13/2026	02/12/2026	0.00	58.01	
220000133998	Maintenance Supplies	01/14/2026	02/13/2026	0.00	130.29	
220000134099	Maintenance Supplies	01/15/2026	02/14/2026	0.00	663.44	
220000134642	Maintenance Supplies	01/22/2026	02/21/2026	0.00	55.64	
220000135290	Canal Repair	01/28/2026	02/27/2026	0.00	2,791.86	
220000135652	Maintenance Supplies	02/02/2026	03/04/2026	0.00	337.94	
220000135760	Maintenance Supplies	02/03/2026	03/05/2026	0.00	153.06	
220000135907	Maintenance Supplies	02/04/2026	03/06/2026	0.00	193.73	
220000135985	Maintenance Supplies	02/05/2026	03/07/2026	0.00	167.90	
220000136866	Maintenance Supplies	02/12/2026	03/14/2026	0.00	430.87	
INV-33202	Maintenance Supplies	12/31/2025	01/15/2026	0.00	465.81	

Payment Register

APPKT00248 - Board Claims February 25, 2026

<u>INV-33658</u>	Highway 25 Pipeline Replacement Project	01/29/2026	02/13/2026	0.00	22,521.73		
Vendor Number	Vendor Name					Total Vendor Amount	
000604	C. Overaa & Co					610,704.65	
Payment Type	Payment Number			Payment Date	Payment Amount		
Bank Draft	<u>163916721</u>			02/25/2026	610,704.65		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>11</u>	Contracted Services	02/06/2025	03/08/2025	0.00	610,704.65		
Vendor Number	Vendor Name					Total Vendor Amount	
000605	C.C.O.I. Gate & Fence					180.00	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60732</u>			02/25/2026	180.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>3652143397</u>	Maintenance SJR Gate	01/26/2026	01/27/2026	0.00	180.00		
Vendor Number	Vendor Name					Total Vendor Amount	
000740	Cellular Controlled Products					195.00	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60733</u>			02/25/2026	195.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>0122206-IN</u>	Quarterly Service	03/01/2026	03/31/2026	0.00	195.00		
Vendor Number	Vendor Name					Total Vendor Amount	
000869	Cintas Corporation					959.22	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60734</u>			02/25/2026	959.22		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>4256942573</u>	Weekly Service	01/20/2026	02/19/2026	0.00	214.05		
<u>4257652876</u>	Weekly Service	01/27/2026	02/26/2026	0.00	214.05		
<u>4258427348</u>	Weekly Service	02/03/2026	03/05/2026	0.00	214.05		
<u>4259157751</u>	Weekly Service	02/10/2026	03/12/2026	0.00	214.05		
<u>4259937293</u>	Weekly Service	02/17/2026	03/19/2026	0.00	214.05		
<u>9351812022</u>	District Uniforms -Return	12/19/2025	01/18/2026	0.00	-111.03		
Vendor Number	Vendor Name					Total Vendor Amount	
000905	CM Analytical Inc					10,945.00	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60735</u>			02/25/2026	10,945.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>85895</u>	Water Quality Testing	12/29/2025	01/28/2026	0.00	7,535.00		
<u>86041</u>	Water Quality Testing	01/21/2026	02/20/2026	0.00	3,410.00		
Vendor Number	Vendor Name					Total Vendor Amount	
005160	Creative Forms & Concepts Inc.					118.02	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60736</u>			02/25/2026	118.02		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>121521</u>	Office Supplies	01/21/2026	02/20/2026	0.00	118.02		
Vendor Number	Vendor Name					Total Vendor Amount	
001041	Dassel's Petroleum Inc					238.84	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60737</u>			02/25/2026	238.84		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>11892292</u>	Forklift Fuel	01/16/2026	02/15/2026	0.00	84.37		
<u>12008697</u>	Maintenance Supplies	01/13/2026	02/12/2026	0.00	154.47		

Payment Register

APPKT00248 - Board Claims February 25, 2026

Vendor Number	Vendor Name					Total Vendor Amount	
<u>001043</u>	Dataflow Business Systems Inc					314.38	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60738</u>			02/25/2026	314.38		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>444983</u>	Copier Maintenance & Supplies	02/05/2026	02/20/2026	0.00	314.38		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>001375</u>	Edges Electrical Group					266.29	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60739</u>			02/25/2026	266.29		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>56630936.001</u>	Maintenance Supplies	01/14/2026	02/28/2026	0.00	116.60		
<u>56640898.001</u>	Maintenance Supplies	01/27/2026	02/28/2026	0.00	149.69		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>001409</u>	ELC Consulting					5,742.45	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60740</u>			02/25/2026	5,742.45		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>10922</u>	Monthly Bitdefender Cloud Security	02/10/2026	03/12/2026	0.00	820.35		
<u>10924</u>	Monthly Bitdefender Cloud Security	02/10/2026	03/12/2026	0.00	820.35		
<u>10926</u>	Monthly Bitdefender Cloud Security	02/10/2026	03/12/2026	0.00	820.35		
<u>10927</u>	Monthly Bitdefender Cloud Security	02/10/2026	03/12/2026	0.00	820.35		
<u>10928</u>	Monthly Bitdefender Cloud Security	02/10/2026	03/12/2026	0.00	820.35		
<u>10929</u>	Monthly Bitdefender Cloud Security	02/10/2026	03/12/2026	0.00	820.35		
<u>10930</u>	Monthly Bitdefender Cloud Security	02/10/2026	03/12/2026	0.00	820.35		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>005116</u>	EquipmentShare.com Inc					394.56	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60741</u>			02/25/2026	394.56		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>HOL-6369879-0000</u>	Equipment Rental	01/27/2026	03/01/2026	0.00	394.56		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>001553</u>	Fastenal Company					1,502.77	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60742</u>			02/25/2026	1,502.77		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>CAHOS73131</u>	Maintenance Supplies	01/08/2026	02/22/2026	0.00	14.18		
<u>CAHOS73354</u>	Maintenance Supplies	01/21/2026	03/07/2026	0.00	5.21		
<u>CAHOS73455</u>	Maintenance Supplies	01/29/2026	03/15/2026	0.00	318.57		
<u>CAHOS73456</u>	Maintenance Supplies	01/29/2026	03/15/2026	0.00	794.43		
<u>CAHOS73544</u>	Maintenance Supplies	01/30/2026	03/16/2026	0.00	148.47		
<u>CAHOS73608</u>	Maintenance Supplies	02/05/2026	03/07/2026	0.00	120.05		
<u>MN0191006672</u>	Inventory Control -Nuts & Bolts	02/05/2026	03/22/2026	0.00	50.93		
<u>MN019999741</u>	Inventory Control -Nuts & Bolts	01/12/2026	02/26/2026	0.00	50.93		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>001567</u>	Ferguson Enterprises, Inc.					1,179.52	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60743</u>			02/25/2026	1,179.52		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>6482552</u>	WRA Supplies	01/27/2026	02/26/2026	0.00	1,109.11		
<u>6515868</u>	Maintenance Supplies	02/09/2026	03/11/2026	0.00	70.41		

Payment Register

APPKT00248 - Board Claims February 25, 2026

Vendor Number	Vendor Name					Total Vendor Amount	
<u>001793</u>	Golden State Portables					900.00	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60744</u>			02/25/2026	900.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>59935</u>	Portable Toilet Rental	01/01/2026	01/31/2026	0.00	450.00		
<u>59936</u>	Portable Toilet Rental	01/01/2026	01/31/2026	0.00	450.00		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>001866</u>	Gutierrez Consultants					15,152.50	
Payment Type	Payment Number			Payment Date	Payment Amount		
EFT	<u>7</u>			02/19/2026	15,152.50		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>2052</u>	Consulting Services	02/13/2026	03/15/2026	0.00	3,262.50		
<u>2053</u>	Consulting Services	02/13/2026	03/15/2026	0.00	8,627.50		
<u>2054</u>	Consulting Services	02/13/2026	03/15/2026	0.00	3,262.50		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>001901</u>	HDR Engineering Inc					334,504.49	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60745</u>			02/25/2026	334,504.49		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>1200778043</u>	Engineering Services	11/26/2025	12/26/2025	0.00	138,082.58		
<u>1200784116</u>	Engineering Services	12/12/2025	01/11/2026	0.00	81,317.90		
<u>1200794314</u>	Engineering Services	01/20/2026	02/19/2026	0.00	115,104.01		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>001949</u>	Hollister Auto Parts Inc					250.07	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60746</u>			02/25/2026	250.07		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>030702</u>	Vehicle Supplies	01/15/2026	02/14/2026	0.00	150.69		
<u>031989</u>	Maintenance Supplies	01/28/2026	02/27/2026	0.00	99.38		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>001968</u>	Hollister True Value Inc.					37.11	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60747</u>			02/25/2026	37.11		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>A486870</u>	Maintenance Supplies	02/09/2026	03/10/2026	0.00	37.11		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>002405</u>	John Smith Landfill					49.78	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60748</u>			02/25/2026	49.78		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>01-01142296</u>	Dump Fees	02/04/2026	03/06/2026	0.00	49.78		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>002423</u>	Johnson Lumber Company					739.59	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60749</u>			02/25/2026	739.59		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>290333</u>	Maintenance Supplies	01/14/2026	02/10/2026	0.00	29.49		
<u>290614</u>	Maintenance Supplies	01/26/2026	02/10/2026	0.00	182.56		
<u>290620</u>	Maintenance Supplies	01/26/2026	02/10/2026	0.00	43.67		
<u>290705</u>	Maintenance Supplies	01/29/2026	02/10/2026	0.00	109.24		
<u>290798</u>	Maintenance Supplies	02/03/2026	03/10/2026	0.00	42.47		
<u>290805</u>	District Supplies	02/03/2026	03/10/2026	0.00	116.88		
<u>290897</u>	Maintenance supplies	02/05/2026	03/10/2026	0.00	21.83		
<u>290909</u>	Maintenance Supplies	02/06/2026	03/10/2026	0.00	79.91		
<u>290978</u>	Maintenance Supplies	02/09/2026	03/10/2026	0.00	71.00		

Payment Register

APPKT00248 - Board Claims February 25, 2026

<u>291102</u>	Maintenance Supplies	02/12/2026	03/10/2026	0.00	42.54
Vendor Number	Vendor Name				Total Vendor Amount
<u>002699</u>	Kennedy/Jenks Consultants Inc.				174,041.69
Payment Type	Payment Number	Payment Date			Payment Amount
Check	<u>60750</u>	02/25/2026			174,041.69
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>185727</u>	Engineering Services	02/04/2026	03/31/2024	0.00	78,166.47
<u>185728</u>	Engineering Services	02/04/2026	03/06/2026	0.00	95,875.22
Vendor Number	Vendor Name				Total Vendor Amount
<u>002766</u>	Kronick, Moskovitz, Tiedemann & Girard				24,419.00
Payment Type	Payment Number	Payment Date			Payment Amount
Check	<u>60751</u>	02/25/2026			24,419.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>30916999</u>	Legal Services	01/28/2026	02/27/2026	0.00	3,977.00
<u>30917000</u>	Legal Services	01/28/2026	02/27/2026	0.00	6,198.00
<u>30917001</u>	Legal Services	01/28/2026	02/27/2026	0.00	1,452.00
<u>30917002</u>	Legal Services	01/28/2026	02/27/2026	0.00	12,792.00
Vendor Number	Vendor Name				Total Vendor Amount
<u>003010</u>	Maggiara Brothers Drilling				27.06
Payment Type	Payment Number	Payment Date			Payment Amount
Check	<u>60752</u>	02/25/2026			27.06
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>901062</u>	Maintenance Supplies	01/20/2026	02/19/2026	0.00	27.06
Vendor Number	Vendor Name				Total Vendor Amount
<u>003245</u>	McGilloway, Ray, Brown & Kaufman				12,600.00
Payment Type	Payment Number	Payment Date			Payment Amount
Check	<u>60753</u>	02/25/2026			12,600.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>2000049783</u>	Accounting Services	12/31/2025	01/30/2026	0.00	12,600.00
Vendor Number	Vendor Name				Total Vendor Amount
<u>003247</u>	McKinnon Lumber, Inc.				68.30
Payment Type	Payment Number	Payment Date			Payment Amount
Check	<u>60754</u>	02/25/2026			68.30
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>E3DXY</u>	Maintenance Supplies	02/02/2026	03/05/2026	0.00	68.30
Vendor Number	Vendor Name				Total Vendor Amount
<u>003249</u>	McMaster-Carr Supply Co				1,754.27
Payment Type	Payment Number	Payment Date			Payment Amount
Check	<u>60755</u>	02/25/2026			1,754.27
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>59520609</u>	Maintenance Supplies	02/09/2026	03/11/2026	0.00	1,754.27
Vendor Number	Vendor Name				Total Vendor Amount
<u>003399</u>	Mission Village Voice Media LLC				544.00
Payment Type	Payment Number	Payment Date			Payment Amount
Check	<u>60756</u>	02/25/2026			544.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>1460</u>	Monthly Print Ad	01/20/2026	01/20/2026	0.00	544.00
Vendor Number	Vendor Name				Total Vendor Amount
<u>005142</u>	Pacific Coast Well Drilling, Inc.				611,581.97
Payment Type	Payment Number	Payment Date			Payment Amount
Check	<u>60757</u>	02/25/2026			611,581.97
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>25-3008-04</u>	Engineering Services	01/13/2026	02/12/2026	0.00	22,382.00
<u>25-3008-05</u>	Engineering Services	02/13/2026	03/15/2026	0.00	163,698.77

Payment Register

APPKT00248 - Board Claims February 25, 2026

<u>25-3011-04</u>	Engineering Services	01/13/2026	02/12/2026	0.00	425,501.20
Vendor Number	Vendor Name				Total Vendor Amount
<u>003796</u>	Raftelis				8,333.75
Payment Type	Payment Number				Payment Date
Check	<u>60758</u>				02/25/2026
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>43908</u>	Consulting Services	01/14/2026	01/14/2026	0.00	8,186.25
<u>44315</u>	Consulting Services	02/13/2026	02/13/2026	0.00	147.50
Vendor Number	Vendor Name				Total Vendor Amount
<u>003878</u>	Reserve Account				2,000.00
Payment Type	Payment Number				Payment Date
Check	<u>60759</u>				02/25/2026
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>012326</u>	Postage on Account	01/23/2026	02/27/2026	0.00	1,000.00
<u>021926</u>	Postage on Account	02/19/2026	03/22/2026	0.00	1,000.00
Vendor Number	Vendor Name				Total Vendor Amount
<u>005170</u>	Revize LLC				15,000.00
Payment Type	Payment Number				Payment Date
Check	<u>60760</u>				02/25/2026
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>23158</u>	Website Development & Hosting	02/19/2026	03/21/2026	0.00	15,000.00
Vendor Number	Vendor Name				Total Vendor Amount
<u>004174</u>	Rossi's Tire & Auto Service				1,322.90
Payment Type	Payment Number				Payment Date
Check	<u>60761</u>				02/25/2026
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>S1B83281</u>	Vehicle Maintenance -Truck #29	01/23/2026	02/22/2026	0.00	98.27
<u>S1B83547</u>	Vehicle Supplies -Truck 18	02/10/2026	03/12/2026	0.00	1,052.18
<u>S1B83569</u>	Vehicle Maintenance -Truck 26	02/12/2026	03/14/2026	0.00	172.45
Vendor Number	Vendor Name				Total Vendor Amount
<u>004264</u>	San Benito County Environmental Health Services				2,031.00
Payment Type	Payment Number				Payment Date
Check	<u>60762</u>				02/25/2026
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>IN0004777</u>	Hazardous Material Permit Fee	01/12/2026	02/11/2026	0.00	422.00
<u>IN0004972</u>	Hazardous Material Permit Fee	01/12/2026	02/11/2026	0.00	765.00
<u>IN0004980</u>	Hazardous Material Permit Fee	01/12/2026	02/11/2026	0.00	422.00
<u>IN0005048</u>	Hazardous Material Permit Fee	01/12/2026	02/11/2026	0.00	422.00
Vendor Number	Vendor Name				Total Vendor Amount
<u>004364</u>	Sentry Alarm Systems				387.98
Payment Type	Payment Number				Payment Date
Check	<u>60763</u>				02/25/2026
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>139472</u>	Service Call	02/17/2026	03/19/2026	0.00	387.98
Vendor Number	Vendor Name				Total Vendor Amount
<u>004450</u>	Specialty Construction Inc.				718,905.09
Payment Type	Payment Number				Payment Date
Check	<u>60764</u>				02/25/2026
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
<u>4</u>	ADRoP ASR Well Site and Pipeline Project -Phase 2	01/31/2026	03/04/2026	0.00	718,905.09

Payment Register

APPKT00248 - Board Claims February 25, 2026

Vendor Number	Vendor Name					Total Vendor Amount
<u>004456</u>	Spurzem & Liem LLP					10,687.50
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	<u>60765</u>			02/25/2026	10,687.50	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>65311</u>	Legal Services	01/09/2026	02/08/2026	0.00	6,225.00	
<u>65455</u>	Legal Services	02/05/2026	03/07/2026	0.00	4,462.50	

Vendor Number	Vendor Name					Total Vendor Amount
<u>004495</u>	Stericycle, Inc.					888.44
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	<u>60766</u>			02/25/2026	888.44	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>8013298021</u>	Monthly Shredding Service	01/31/2026	03/02/2026	0.00	888.44	

Vendor Number	Vendor Name					Total Vendor Amount
<u>004554</u>	Sunnyslope County Water District					204,996.47
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	<u>60767</u>			02/25/2026	204,996.47	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>INV00490</u>	Plant Operations -West Hills	01/31/2026	02/28/2026	0.00	134,582.95	
<u>INV00491</u>	Plant Operations -Lessalt	01/31/2026	02/28/2026	0.00	70,413.52	

Vendor Number	Vendor Name					Total Vendor Amount
<u>004599</u>	Taliaferro Fence Company Inc					14,950.00
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	<u>60768</u>			02/25/2026	14,950.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>3450</u>	San Justo Gate and Fence Repair	02/03/2026	03/05/2026	0.00	14,950.00	

Vendor Number	Vendor Name					Total Vendor Amount
<u>004728</u>	Todd Groundwater					67,483.72
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	<u>60769</u>			02/25/2026	67,483.72	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>37653 126</u>	Engineering Services	01/08/2026	02/07/2026	0.00	14,781.50	
<u>37653 226</u>	Engineering Services	02/08/2026	03/10/2026	0.00	3,176.00	
<u>37660 226</u>	Engineering Service	02/08/2026	03/10/2026	0.00	4,151.25	
<u>37661 126</u>	Engineering Services	01/08/2026	02/07/2026	0.00	1,413.75	
<u>37662 126</u>	Engineering Services	01/08/2026	02/07/2026	0.00	38,821.22	
<u>37663 226</u>	Engineering Services	02/08/2026	03/10/2026	0.00	5,140.00	

Vendor Number	Vendor Name					Total Vendor Amount
<u>004768</u>	Top Grade Paving					7,500.00
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	<u>60770</u>			02/25/2026	7,500.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>783</u>	Maintenance Services	01/14/2026	02/13/2026	0.00	7,500.00	

Vendor Number	Vendor Name					Total Vendor Amount
<u>004771</u>	Toro Petroleum Corporation					3,525.97
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	<u>60771</u>			02/25/2026	3,525.97	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
<u>0741264-IN</u>	Maintenance Supplies	01/15/2026	03/01/2026	0.00	71.24	
<u>CL94647</u>	Vehicle Fuel	01/31/2026	03/17/2026	0.00	3,454.73	

Payment Register

APPKT00248 - Board Claims February 25, 2026

Vendor Number	Vendor Name					Total Vendor Amount	
<u>004802</u>	Turbo Time Welding					1,000.00	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60772</u>			02/25/2026	1,000.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>114</u>	Maintenance Services	02/06/2026	03/07/2026	0.00	1,000.00		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>004807</u>	Tyler Technologies					3,747.00	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60773</u>			02/25/2026	3,747.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>1314</u>	Tyler Connect 2026	11/12/2025	03/21/2026	0.00	1,249.00		
<u>1362</u>	Tyler Connect 2026	11/13/2025	03/22/2026	0.00	1,249.00		
<u>1371</u>	Tyler Connect 2026	11/13/2025	12/13/2025	0.00	1,249.00		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>004810</u>	U.S. Bank Corporation					4,238.34	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60774</u>			02/25/2026	4,238.34		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>0122268M</u>	Monthly Statement	01/22/2026	02/21/2026	0.00	3,007.86		
<u>012226CP</u>	Monthly Statement	01/22/2026	02/21/2026	0.00	72.00		
<u>012226DJ</u>	Monthly Statement	01/22/2026	02/21/2026	0.00	19.99		
<u>012226MC</u>	Monthly Statement	01/22/2026	02/21/2026	0.00	1,138.49		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>004811</u>	U.S. Geological Survey					27,085.00	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60775</u>			02/25/2026	27,085.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>90161667</u>	Water Data Collection	02/17/2026	04/18/2026	0.00	27,085.00		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>004854</u>	Verdant Commercial Capital LLC					263.79	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60776</u>			02/25/2026	263.79		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>906019501</u>	Copier Lease	02/09/2026	03/06/2026	0.00	263.79		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>004952</u>	Wienhoff & Associates, Inc.					15.00	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60777</u>			02/25/2026	15.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>137412</u>	2026 Annual Query	02/06/2026	03/08/2026	0.00	15.00		

Vendor Number	Vendor Name					Total Vendor Amount	
<u>005015</u>	Wright Bros Industrial Supply					434.75	
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	<u>60778</u>			02/25/2026	434.75		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
<u>297559</u>	Maintenance Supplies	01/26/2026	02/25/2026	0.00	292.88		
<u>297642</u>	Maintenance Supplies	01/30/2026	03/01/2026	0.00	63.93		
<u>297967</u>	Maintenance Supplies	02/11/2026	03/13/2026	0.00	77.94		

Payment Summary

Bank Code	Type	Payable Count	Payment Count	Discount	Payment
AP	Manual Bank Draft	1	1	0.00	610,704.65
AP	Check	130	53	0.00	2,337,333.84
AP	EFT	3	1	0.00	15,152.50
Packet Totals:		134	55	0.00	2,963,190.99

Cash Fund Summary

Fund	Name	Amount
999	Pooled Cash	-2,963,190.99
Packet Totals:		-2,963,190.99

**San Benito County Water District
Agenda Transmittal**

Agenda Item: 3

Meeting Date: February 25, 2026

Submitted By: Leilani Vidal

Presented By: Dana Jacobson

Agenda Title: Acknowledgement of Paid Claims prior to the February 2026 Board Meeting

Detailed Description: This is a notification that the checks & wire transfers listed below were issued outside the normal claims process.

Payee	Check No./ Confirmation #	Amount	For	Issued Date
Pichrila Mufflers	60689	\$240.00	Vehicle Repair	01/21/26

<i>Wire Transfers</i>				
Zions/CB Trust Banks	Wire Transfer	\$203,331.10	USBR In Basin Capital Bond	01/29/26
San Luis Delta Mendota Water Authority	Wire Transfer	\$12,853.95	O&M delivery costs (February 2026 advanced water delivery payment form)	02/06/26

Financial Impact: ___X___ Yes _____ No

Funding Source/ Recap:
Fiscal Year Budget as approved

Material Included for Information/Consideration:
Copy of Wire Transfer Request

Action Required: _____ Resolution ___X___ Motion _____ Review

Board Action

_____ Resolution No. ___ Motion By _____ Second By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

**San Benito County Water District
Agenda Transmittal**

Agenda Item: 4

Meeting Date: February 25, 2026

Submitted By: Brett Miller

Presented By: Brett Miller

Agenda Title: Consider Resolution Authorizing the Investment of Monies in the Local Agency Investment Fund

Detailed Description:

San Benito County Water District (District) utilizes the Local Agency Investment Fund (L.A.I.F.) for investment of District funds. It was brought to the attention of our Finance Department that the current resolution that L.A.I.F. has on file for the District, does not have the current employees authorized to make transfers to and from the District's L.A.I.F. account. L.A.I.F. has requested an updated resolution.

No changes are being made to the District's process on this investment account, but simply notes the correct employees, the General Manager and Assistant General Manager, as the designated employees to make deposits and transfers into the District's L.A.I.F. account.

Prior Committee or Board Action: N/A

Financial Impact: _____ Yes X No

Funding Source/ Recap: N/A

Materials included:

Draft Resolution

Recommendation:

Staff is recommending the Board approve the resolution for L.A.I.F.'s deposit and transfers by the General Manager or the Assistant General Manager and directs staff to send an executed copy to L.A.I.F. per their request.

Action Required: X Resolution X Motion _____ Review

Board Action

Resolution No. _____ Motion By _____ Second By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

RESOLUTION NO. 2026-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN BENITO COUNTY WATER DISTRICT
AUTHORIZING THE INVESTMENT OF MONIES
IN THE LOCAL AGENCY INVESTMENT FUND**

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the San Benito County Water District Board of Directors' hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the San Benito County Water District;

NOW THEREFORE, BE IT RESOLVED, that the San Benito County Water District Board of Directors hereby authorizes the deposit and withdrawal of the San Benito County Water District monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

Section 1. The following San Benito County Water District employees holding the title(s) specified hereinbelow or their successors are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

<i>Dana Jacobson</i>	<i>Brett Miller</i>
<i>General Manager</i>	<i>Assistant General Manager</i>
<hr/> <i>Signature</i>	<hr/> <i>Signature</i>

Section 2. This resolution shall remain in full force and effect until rescinded by San Benito County Water District Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

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

PASSED AND ADOPTED by the Board of Directors of the San Benito County Water District, San Benito County of State of California this 25th of February 2026, by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSTAIN: DIRECTORS:

ABSENT: DIRECTORS:

San Benito County Water District
30 Mansfield Road
Hollister, CA 95023

(831)637-8218

(Signature of presiding Board member
Attested by Board Secretary
Resolution #2026-05)

Mark Wright
President

ATTEST:

Barbara L. Mauro
Board Secretary

CERTIFIED RESOLUTION

I, Barbara Mauro, board secretary of the San Benito County Water District, do hereby certify that the following is a true and correct copy of a resolution duly adopted at the regular meeting of the Board of Directors, duly held on February 25, 2026. This resolution has not been modified, rescinded or revoked and is at present in full force and effect.

In Witness whereof, the undersigned has affixed her signature and the corporate seal.

Barbara L. Mauro
Board Secretary

Date of signature



Agenda

Item

5

**San Benito County Water District
Agenda Transmittal**

Agenda Item: 6 and 7

Meeting Date: February 25, 2026

Submitted By: Brett Miller

Presented By: Brett Miller

Agenda Title: Consider Approval of Resolution No. 2026-06, Establishing San Felipe Distribution System Water Charges for Agricultural, Non-Agricultural and Wholesale Water for Water Years 2026, 2027, 2028, and Resolution No. 2026-07 Establishing Recycled Water Charges for Water Years 2026, 2027, 2028

Detailed Description:

On January 5, 2026, the San Benito County Water District (“District”) approved Proposition 218 procedures for establishing the San Felipe Distribution System Water Charges for Agricultural, Non-Agricultural, Wholesale, and Recycled Water for Water Years 2026, 2027, 2028.

On January 6, 2026, District staff mailed notices to all Agricultural, Non-Agricultural, Wholesale, and Recycled Water Service customers (and separately to the parcel owners if different than the water service customer on record for the parcel) to comply with the Proposition 218 notice, objection, and protest procedures set forth in Article XIID, Section 6 of the California Constitution (Proposition 218) and Government Code section 53759.1. These notices state that a public hearing will occur on February 25, 2026 and explained the objection and protest procedures that apply under Proposition 218 and Government Code section 54759.1. Lastly, the notices refer customers to the District’s Rate Study that was prepared to document the costs that are included in the fee, how those costs are apportioned to the District’s water service customers, and to demonstrate that these charges do not exceed the cost of providing service.

The deadline for written objections from the District’s water service customers was February 20, 2026, and the District did not receive any written objections. As a result, District staff will not be presenting responses to written objections at the forthcoming public hearing.

The approval proceeding for Resolution 2026-06 and Resolution 2026-07 is subject to requirements set forth in Article XIID, Section 6 of the California Constitution (Proposition 218) and Government Code section 53759.1. At the conclusion of this presentation, the District Board will open a public hearing to receive statements from water service customers or the public regarding the proposed charges. District staff will accept protests from water service customers up until the close of the public hearing; however, because the District has not received any written objections or protests regarding the proposed charges it does not appear (as of this writing) that a majority protest exists. At the close of the public hearing, District staff will confirm whether protests have been filed by a majority of the District’s water service customers.

If not, then the District Board can then consider adoption of Resolution 2026-06 and Resolution 2026-07.

Attachments:

- 1. Resolution 2026-06
- 2. Resolution 2026-07
- 3. Rate Study
- 4. PowerPoint Presentation from Raftelis

Prior Committee or Board Action:

January 5, 2026 Board Meeting, Resolution 2026-01

Financial Impact: Yes No

Adopts charges sufficient to reimburse the District for the cost of providing water service.

Funding Source/ Recap: N/A

Recommendation:

Board to adopt Resolution 2026-06, Establishing San Felipe Distribution System Water Charges for Agricultural, Non-Agricultural and Wholesale Water for Water Years 2026, 2027, 2028 and Resolution 2026-07 Establishing Recycled Water Charges for Water Years 2026, 2027, 2028.

Action Required: Resolution Motion Review

Board Action

Resolution No. Motion By _____ Second By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

RESOLUTION NO. 2026-06

**A RESOLUTION 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 District mailed notices to all water service customers (and separately to the parcel owners if different than the water service customer on record for the parcel) upon which the charge is to be imposed (*excepting wholesale rate customers) 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 February 25, 2026, to consider the charge (*Wholesale charges that do not exceed the cost of providing service are not subject to the Article XIII D of the California Constitution); and

WHEREAS, the notices mailed by the District comply with Government Code section 53759, and provide information on the procedure for written objections to the charge, as well as the procedure for filing written protests against the charge;

WHEREAS, all written objections to the charge were due by February 20, 2026, and the District did not receive any written objections;

WHEREAS, after 45 days from the date said Proposition 218 notice was mailed, and pursuant to said Notice of Public Hearing, the Board conducted a public hearing at 5:00 PM on February 25, 2026, to determine whether or not the charge should be levied in Zone 6, and to consider the amount of any such charge; and

WHEREAS, excepting the wholesale rate to which the protest procedure is not applicable, less than a majority of the owners or lessees of parcels upon which the charge is proposed for imposition filed protests.

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

DRAFT---DRAFT---DRAFT---DRAFT---DRAFT---DRAFT---DRAFT---DRAFT

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:

Agricultural		Current Approved Rate	Proposed Rate			Unit of Measure
			Water Year Commencing March 1, 2026	Water Year Commencing March 1, 2027	Water Year Commencing March 1, 2028	
PASS THROUGH COSTS FROM OTHER AGENCIES	Cost of Stored and Acquired Water	\$119.65	\$110.00	\$12.00	\$115.00	per acre foot
	San Luis & Delta Mendota Water Authority (Other)	\$11.97	\$13.00	\$14.00	\$15.00	per acre foot
	Santa Clara Valley Water District	\$55.91	\$57.00	\$59.00	\$61.00	per acre foot
	San Benito County Water District	\$118.47	\$83.00	\$85.00	\$87.00	per acre foot
TOTAL RATE		\$306.00	\$263.00	\$270.00	\$278.00	per acre foot

Agricultural Full Cost (RRA Section 205(a)(3))

Full cost is applicable to certain forms of ownership as determined by federal regulations. Those regulations are dealt with through the United States Bureau of Reclamation land registration process as administered by the District.

		Current Approved Rate	Proposed Rate			Unit of Measure
			Water Year Commencing March 1, 2026	Water Year Commencing March 1, 2027	Water Year Commencing March 1, 2028	
PASS THROUGH COSTS FROM OTHER AGENCIES	Cost of Stored and Acquired Water	\$119.65	\$110.00	\$112.00	\$115.00	per acre foot
	San Luis & Delta Mendota Water Authority (Other)	\$11.97	\$13.00	\$14.00	\$15.00	per acre foot
	Santa Clara Valley Water District	\$55.91	\$57.00	\$59.00	\$61.00	per acre foot
	San Benito County Water District	\$118.47	\$83.00	\$85.00	\$87.00	per acre foot
TOTAL RATE		\$306.00	\$263.00	\$270.00	\$278.00	per acre foot

Agricultural Full Cost (RRA Section 202(3))

Full cost is applicable to certain forms of ownership as determined by federal regulations. Those regulations are dealt with through the United States Bureau of Reclamation land registration process as administered by the District.

		Current Approved Rate	Proposed Rate			Unit of Measure
			Water Year Commencing March 1, 2026	Water Year Commencing March 1, 2027	Water Year Commencing March 1, 2028	
PASS THROUGH COSTS FROM OTHER AGENCIES	Cost of Stored and Acquired Water	\$119.65	\$110.00	\$112.00	\$115.00	per acre foot
	San Luis & Delta Mendota Water Authority (Other)	\$11.97	\$13.00	\$14.00	\$15.00	per acre foot
	Santa Clara Valley Water District	\$55.91	\$57.00	\$59.00	\$61.00	per acre foot
	San Benito County Water District	\$118.47	\$83.00	\$85.00	\$87.00	per acre foot
TOTAL RATE		\$306.00	\$263.00	\$270.00	\$278.00	per acre foot

DRAFT---DRAFT---DRAFT---DRAFT---DRAFT---DRAFT---DRAFT---DRAFT

Non-Agricultural (Municipal & Industrial), including *Small Parcel Service (parcels 10 acres or less in area)						
		Current Approved Rate	<u>Proposed Rate</u>			Unit of Measure
			Water Year Commencing March 1, 2026	Water Year Commencing March 1, 2027	Water Year Commencing March 1, 2028	
PASS THROUGH COSTS FROM OTHER AGENCIES	Cost of Stored and Acquired Water	\$412.36	\$152.00	\$156.00	\$160.00	per acre foot
	San Luis & Delta Mendota Water Authority (Other)	\$11.97	\$13.00	\$14.00	\$15.00	per acre foot
	Santa Clara Valley Water District	\$55.91	\$57.00	\$59.00	\$61.00	per acre foot
	San Benito County Water District	\$142.76	\$195.00	\$199.00	\$203.00	per acre foot
TOTAL RATE		\$623.00	\$417.00	\$428.00	\$439.00	per acre foot

** Small Parcel Municipal & Industrial customers will be billed the actual water amount used (per acre foot) at the water rate shown. There will be no minimum amount to be purchased.*

All Municipal & Industrial Customers Non Agricultural (Municipal & Industrial)					
	Current Rate	Water Year Commencing March 1, 2026	<u>Proposed Rate</u> Water Year Commencing March 1, 2027	Water Year Commencing March 1, 2028	Unit of Measure
**Water Supply-Reliability Charge	\$250.00	\$137.00	\$140.00	\$143.00	per acre foot
<i>**Water Supply-Reliability Charge is assessed in addition to the Municipal & Industrial rate shown above.</i>					

Both Contract & Small Parcel Power Charge	Current Approved Rate	<u>Proposed Rate</u>			Unit of Measure
		Water Year Commencing March 1, 2026	Water Year Commencing March 1, 2027	Water Year Commencing March 1, 2028	
Subsystem 2	\$43.10	\$46.00	\$48.00	\$50.00	per acre foot
Subsystem 6H	\$43.10	\$46.00	\$48.00	\$50.00	per acre foot
Subsystem 9L	\$100.73	\$113.00	\$117.00	\$122.00	per acre foot
Subsystem 9H	\$100.73	\$113.00	\$117.00	\$122.00	per acre foot
All other subsystems	\$43.10	\$46.00	\$48.00	\$50.00	per acre foot

Rate Bases: The basis for the power charge is the cost of pumping, transmission and distribution power associated with delivery of water to customers. All these costs are passed through from power providers and include pumping associated with the United States Bureau of

Reclamation pumping facilities, District pumping stations for specific subsystems (PG&E), and power costs associated with San Justo Reservoir and the San Felipe Distribution system (PG&E).

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 based on the current spot market rate for water. 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 (commencing March 1st) as set forth in Paragraph #1 above.

4. Severability Clause: In the event that any portion or provision of this Resolution 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 Resolution, which shall remain in full force and effect.

5. Publication: Within 15 days after its passage, this Resolution 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 25th day of February 2026, by the San Benito County Water District Board of Directors by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

(Signature of presiding Board member
Attested by Board Secretary
Resolution No. 2026-02)

APPROVED

Mark Wright
President

ATTEST:

Barbara L. Mauro
Board Secretary

RESOLUTION NO. 2026-07

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BENITO COUNTY WATER DISTRICT
ESTABLISHING CHARGES FOR RECYCLED WATER RATES**

WHEREAS, the San Benito County Water District uses rates and charges to recover current operating and maintenance costs related to water service from current users as required of a public enterprise agency. Recycled water rates include those costs associated with water supply, water quality and infrastructure; and

WHEREAS, the District mailed notices to all water service customers (and separately to the parcel owners if different than the water service customer on record for the parcel) 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 February 25, 2026, to consider the charge; and

WHEREAS, the notices mailed by the District comply with Government Code section 53759, and provide information on the procedure for written objections to the charge, as well as the procedure for filing written protests against the charge;

WHEREAS, all written objections to the charge were due by February 20, 2026 and the District did not receive any written objections;

WHEREAS, after 45 days from the date said Proposition 218 notice was mailed, and pursuant to said Notice of Public Hearing, the Board conducted a public hearing at 5:00 PM on February 25, 2026, to determine whether or not the charge should be levied in Zone 6, 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.

BE IT RESOLVED 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 recycled water delivered through the recycled water distribution system shall be established as follows:

Recycled Water Rates	Current Rate	Proposed Rate Effective 3/1/2026	Proposed Rate Effective 3/1/2027	Proposed Rate Effective 3/1/2028	Unit of Measure
Recycled Water Rate	\$ 306.00	\$ 263.00	\$ 269.00	\$ 275.00	per acre foot
Power Charge	\$ 108.32	\$ 154.00	\$ 160.00	\$ 166.00	per acre foot
<i>Minimum Annual Purchase of water for each parcel (applied to water charge)</i>					
\$ 700.00					

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, maintenance, and capital costs associated with the delivery of recycled water and the power costs for pumping, transmission and distribution of recycled 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;
 - 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.
3. Effective Date: The above rates and charges shall be effective upon the commencement of each water year (commencing March 1st) as set forth in Paragraph #1 above.
4. Severability Clause: In the event that any portion or provision of this Resolution 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 Resolution, which shall remain in full force and effect.
5. Publication: Within 15 days after its passage, this Resolution 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 25th day of February 2026, by the San Benito County Water District Board of Directors by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

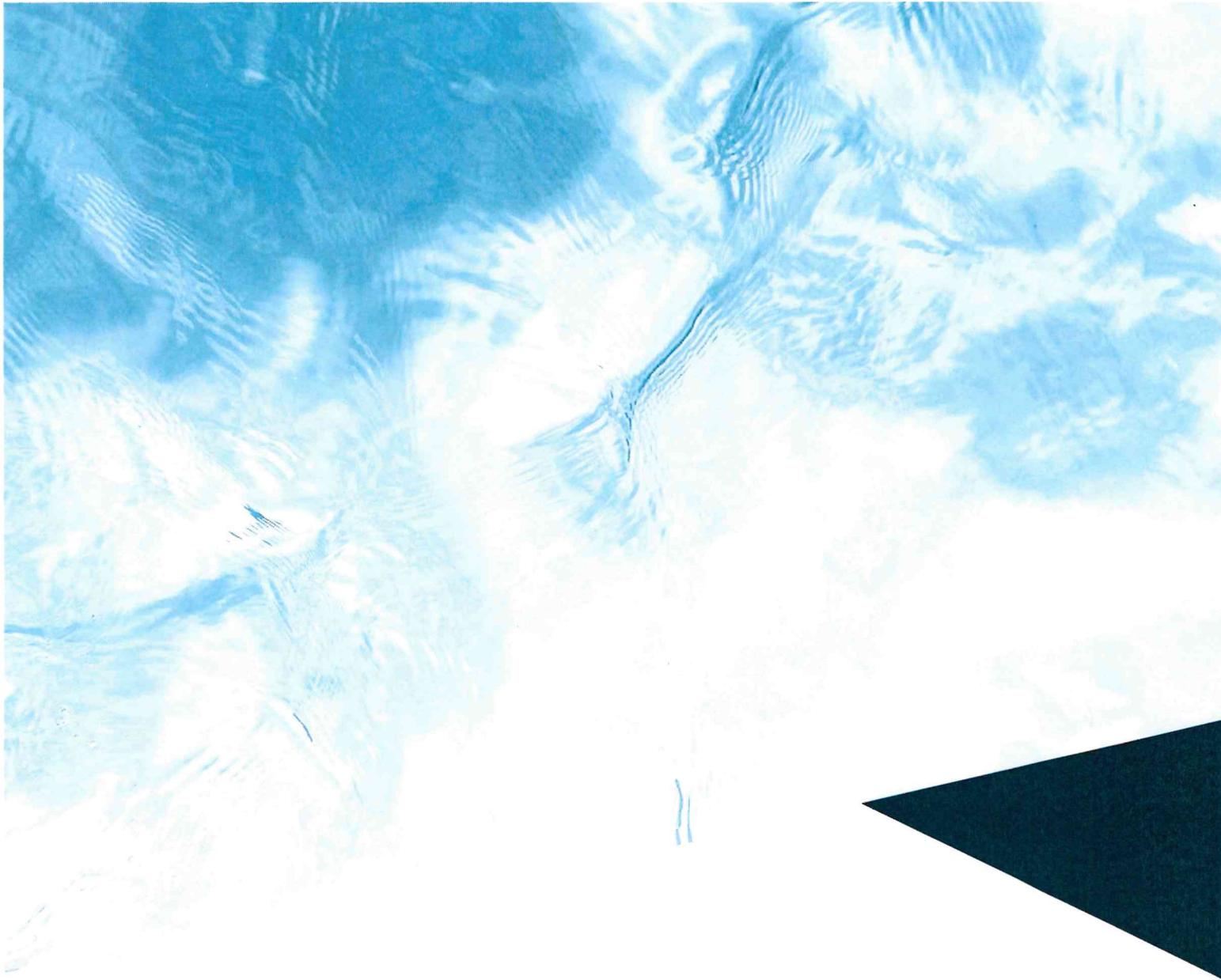
(Signature of presiding Board member
Attested by Board Secretary
Resolution No. 2026-07)

APPROVED

Mark Wright
President

ATTEST:

Barbara L. Mauro
Board Secretary



SAN BENITO COUNTY WATER DISTRICT
**Zone 6 Water, Groundwater and
Recycled Water Rate Study**



**San Benito County
Water District**

FINAL REPORT



January 2, 2026

Mr. Brett Miller
Assistant General Manager
San Benito County Water District
30 Mansfield Road
Hollister, CA 95023

Subject: San Benito County Water District Zone 6 Water, Groundwater and Recycled Water Rate Study Report – DRAFT Report

Dear Mr. Miller:

Raftelis is pleased to provide this San Benito County Water District Zone 6 Water, Groundwater and Recycled Water Rate Study Report for the San Benito County Water District (SBCWD) to help SBCWD maintain its strong financial position as it addresses water quality, supply, and reliability issues, as well as to establish water rates that are equitable and align with Proposition 218 and Proposition 26.

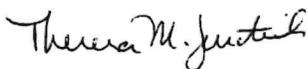
The major objectives of the study include the following:

- Develop a financial plan for the water enterprise to ensure financial sufficiency, meet operation and maintenance (O&M) costs, ensure sufficient funding for capital needs, and maintain required reserve levels
- Conduct a current water cost-of-service that aligns with Prop. 218 and Prop. 26
- Propose water and power rates for Water Years (WY) starting March 1, 2026, March 1, 2027, and March 1, 2028

The report summarizes the key findings and recommendations related to the development of the financial plan and the development of the updated water and power rates.

It has been a pleasure working with you, and we thank you and the SBCWD staff for the support provided during the course of this study.

Sincerely,



Theresa Jurotich, P.E., PMP
Manager, Raftelis

Contents

- 1. Executive Summary 1**
 - 1.1. Methodology.....1
 - 1.2. Proposed Financial Plan and Revenue Adjustments.....2
 - 1.3. Proposed Three-Year Rates4
 - 1.3.1. Agricultural Water Rates5
 - 1.3.2. M&I Water Rates6
 - 1.3.3. Water Reliability Charge for M&I.....6
 - 1.3.4. Groundwater Charges7
 - 1.3.5. Recycled Water Rates7
 - 1.3.6. Power Charge8
- 2. Introduction..... 9**
 - 2.1. SBCWD Background.....9
 - 2.2. Scope of the Study.....9
- 3. Rate Setting Methodology..... 10**
 - 3.1. Calculate Revenue Requirement10
 - 3.2. Cost-of-Service Analysis10
 - 3.3. Rate Design and Calculations10
 - 3.4. Rate Adoption.....10
- 4. Financial Plan..... 11**
 - 4.1. Projected Revenue from Existing Rates and Charges.....11
 - 4.1.1. Current Water and Power Rates..... 11
 - 4.1.2. Projected Water and Power Use..... 12
 - 4.1.3. Revenue Projections..... 13
 - 4.2. Revenue Requirements14
 - 4.2.1. Operating and Maintenance Expenses..... 14
 - 4.2.2. Capital Improvement Plan and Funding..... 15
 - 4.2.3. Debt Service 16
 - 4.2.4. Reserve Targets 16
 - 4.3. Proposed Financial Plan and Revenue Adjustments.....17

5. Cost-of-Service Analysis	20
5.1. Revenue Requirements (Costs-of-Service) to be Allocated	20
5.2. Allocation of Revenue Requirements to Cost Components.....	21
5.3. Unit Cost Derivation.....	24
6. Proposed Zone 6 Water and Power Rates	25
6.1. Agricultural Water Rates	25
6.2. M&I Water Rates	26
6.3. Groundwater Charges.....	27
6.4. Recycled Water Rates.....	27
6.5. Power Charges	27

Tables

Table 1-1: Annual Revenue Adjustments 2

Table 1-2: Proposed Financial Plan Cashflow 3

Table 1-3: Current and Proposed Agricultural Rates, \$/AF..... 5

Table 1-4: Current and Proposed M&I Water Rates, \$/AF..... 6

Table 1-5: Current and Proposed Water Reliability Charge, \$/AF 7

Table 1-6: Current and Proposed Groundwater Rates, \$/AF 7

Table 1-7: Current and Proposed Recycled Water & Power Rates, \$/AF..... 7

Table 1-8: Current and Proposed Power Charges, \$/AF 8

Table 4-1: Current Rates and Charges 12

Table 4-2: Projected Customer Usage, AF 12

Table 4-3: Projected Power-Related Usage, AF 13

Table 4-4: Rate Revenue Under Existing Rates 13

Table 4-5: Other Revenues..... 14

Table 4-6: O&M Expenses 14

Table 4-7: Proposed Capital Improvement Program 16

Table 4-8: Existing Debt Service..... 16

Table 4-9: New and Proposed Debt Service..... 16

Table 4-10: Reserve Balances at Beginning of FY 2026 17

Table 4-11: Annual Revenue Adjustments..... 17

Table 4-12: Zone 6 Financial Plan 18

Table 5-1: Projected Net Revenue Requirement, FY 2026..... 21

Table 5-2: Net O&M Allocation 23

Table 5-3: Net Capital-Related Allocation 23

Table 5-4: Unit Cost-of-Service, FY 2026 24

Table 6-1: Current and Proposed Agricultural Rates, \$/AF..... 25

Table 6-2: Current and Proposed M&I Water Rates, \$/AF..... 26

Table 6-3: Proposed Water Supply-Reliability Charge, \$/AF 26

Table 6-4: Total Proposed M&I Charge, \$/AF 26

Table 6-5: Current and Proposed Groundwater Rates, \$/AF 27

Table 6-6: Current and Proposed Recycled Water and Power Rates, \$/AF 27

Table 6-7: Current and Proposed Power Charges, \$/AF 28

Figures

Figure 1-1: Proposed Zone 6 Financial Plan..... 4
Figure 4-1: Capital Improvement Program with Funding Sources 15
Figure 4-2: Zone 6 Projected Fund Balance 18
Figure 4-3: Projected Debt Service Coverage 19

Appendices

- Appendix A: Legal Requirements
- Appendix B: Capital Improvement Program, Inflated
- Appendix C: Operating and Maintenance Expenses
- Appendix D: Summary of Reserve Funds
- Appendix E: O&M Allocation, Test Year
- Appendix F: Net Plant Investment Allocation, Test Year

THIS PAGE INTENTIONALLY LEFT BLANK

1. Executive Summary

The San Benito County Water District (SBCWD) engaged Raftelis Financial Consultants, Inc. (Raftelis) to conduct a comprehensive water rates and charges study that could be utilized to evaluate and optimize user charges for SBCWD's water service and groundwater management customers while ensuring a proportionate recovery of costs from the various user classes. This report documents the resultant findings, analyses, and recommendations.

SBCWD manages water resources within San Benito County pursuant to its enabling act (California Water Code Appendix, Ch. 70) and is the Groundwater Sustainability Agency (GSA) for the county pursuant to the Sustainable Groundwater Management Act (SGMA). SBCWD contracts with the United States Bureau of Reclamation (USBR) to receive water from the Central Valley Project (CVP) and relies on imported CVP supplies to provide retail and wholesale water services, including raw water, treated water, and recycled water, and to manage the local groundwater basin. SBCWD owns two surface water treatment plants and manages local and imported surface water through the San Benito River System and the San Felipe Distribution System. A portion of the treated drinking water delivered under wholesale agreements to the Sunnyslope County Water District and City of Hollister becomes recycled water (from the City of Hollister's reclamation plant) that is used for irrigation. The imported water that SBCWD delivers to its customers and applies to direct groundwater recharge improves groundwater levels and quality, as the groundwater available from local aquifers has varying levels of salts and high mineral content.

The major objectives of this study include the following:

- Develop a 10-year financial plan for Zone 6 to ensure financial sufficiency and funding for operation and maintenance, capital improvement, and capital replacement expenses.
- Conduct a cost-of-service analysis for water services and proportionately allocate the costs of providing services.
- Develop proposed adjustments to the following water rates and charges: (1) agricultural water rates; (2) municipal & industrial (M&I) water rates; (3) the water reliability charge for M&I water users; (4) groundwater charges; (5) recycled water rates; and (6) power charges.
- Develop a report that demonstrates the nexus between SBCWD costs and rates, to align with the requirements of Proposition 218, Proposition 26, and SBCWD's enabling act.

This report summarizes the water rate study's financial plan and rate development key findings and recommendations.

1.1. Methodology

The study is informed by SBCWD's policy objectives, the current Zone 6 water rates and charges, and applicable legal requirements, including Propositions 218 and 26 and SBCWD's enabling act. These legal requirements are outlined in detail in Appendix A. The resulting cost-of-service analyses and rate design processes consider all these factors and follows five key steps, outlined below, to derive proposed rates that fulfill SBCWD's policy objectives and meet industry standards.

This study was also conducted using industry-standard principles outlined by the American Water Works Association's Manual M1 titled *Principles of Water Rates, Fees and Charges, Seventh Edition*.

1. Financial Plan: Develop cash flow projections for Zone 6 to determine the amount of revenue required from water rates to fully recover the costs of providing service.
2. Cost-of-Service Analysis: Allocate total costs to rate components, based on source of supply and customers' unique characteristics.
3. Rate Design: Develop rates for different customers classes, based on cost of service, that generate sufficient revenues to recover costs, and communicate policy preferences of the agency.
4. Report Preparation: Develop a study report to document the underlying inputs, assumptions, analyses, and results of the rate study.
5. Rate Adoption: Proposed rates may be adopted by SBCWD after compliance with applicable legal requirements, including those set forth in Propositions 218 and 26 and SBCWD's enabling act.

1.2. Proposed Financial Plan and Revenue Adjustments

Raftelis conducted a cash flow analysis to evaluate whether existing water rates adequately fund Zone 6's various expenses over the planning period. Annual projections of revenues, O&M expenses, debt service payments, and capital expenditures through FY 2036 were developed with SBCWD staff. The financial planning model enables SBCWD to set rates and charges to generate sufficient revenue to meet its short-term and long-term obligations, including reserve fund requirements. Table 1-1 shows the proposed revenue adjustments for the rate setting period (FY 2026 – FY 2028) as well as potential future revenue adjustments for planning purposes. Revenue adjustments occur on March 1 for each year. This proposed scenario allows SBCWD to slowly draw down reserves, build a more reliable water supply, and meet growing demand.

Table 1-1: Annual Revenue Adjustments

Effective Date	Increase
3/1/2026	2%
3/1/2027	2%
3/1/2028	2%
3/1/2029	2%
3/1/2030	2%
3/1/2031	2%
3/1/2032	2%
3/1/2033	2%
3/1/2034	2%
3/1/2035	2%

Key factors influencing the need for proposed revenue adjustments include:

- Cost inflation: operating costs continue to rise year-over-year due to inflationary pressures.
- Planned capital expenditures: While the water reliability and supply project capital project costs are designed to be recovered through specific rates and charges, the remainder of Zone 6 capital projects need to be funded, including annual improvements to the pipelines.

Table 1-2 shows the proposed financial plan incorporating the proposed revenue adjustments and projected water reliability and capacity fee revenue.

Table 1-2: Proposed Financial Plan Cashflow

Line Item	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Revenues											
1 Water Sales and Power Charges	\$3,424,302	\$3,457,998	\$3,492,895	\$3,528,968	\$3,566,214	\$3,596,582	\$3,630,473	\$3,664,532	\$3,700,100	\$3,736,676	\$3,774,594
2 Total Adjustments	\$22,829	\$92,674	\$165,340	\$240,968	\$319,705	\$400,808	\$485,286	\$572,926	\$664,059	\$758,769	\$857,290
3 Water Reliability Charge [1]	\$593,045	\$623,328	\$654,987	\$688,043	\$722,535	\$754,011	\$788,159	\$823,149	\$859,781	\$897,801	\$937,448
4 Capacity Fee Revenue	\$1,721,671	\$5,865,926	\$6,264,225	\$6,667,673	\$7,089,689	\$5,959,085	\$6,844,373	\$7,080,026	\$7,620,352	\$8,074,137	\$8,614,558
Other Revenue											
5 Other Operating Revenue	\$22,000	\$22,330	\$22,665	\$23,005	\$23,350	\$23,700	\$24,056	\$24,417	\$24,783	\$25,155	\$25,532
6 Finished Water	\$8,878,168	\$8,318,332	\$8,495,979	\$8,679,263	\$8,868,347	\$9,058,449	\$8,913,386	\$9,116,704	\$9,326,697	\$9,543,241	\$8,748,694
7 Cost of Stored & Acquired Water [2]	\$972,672	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419
8 General Purpose Tax	\$1,049,500	\$1,065,243	\$1,081,221	\$1,097,439	\$1,113,901	\$1,130,610	\$1,147,569	\$1,164,782	\$1,182,254	\$1,199,988	\$1,217,988
9 Land Only Tax	\$11,121,500	\$11,455,145	\$11,798,799	\$12,152,763	\$12,517,346	\$12,892,867	\$13,279,653	\$13,678,042	\$14,088,383	\$14,511,035	\$14,946,366
10 Other Non-Operating Revenues	\$1,270,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250
11 Interest Income	\$2,489,636	\$1,789,077	\$1,421,115	\$1,264,661	\$1,110,174	\$991,307	\$875,699	\$790,679	\$775,880	\$724,299	\$136,417
12 Total Revenue	\$31,565,573	\$33,892,721	\$34,599,896	\$35,545,452	\$36,533,930	\$36,010,087	\$37,191,322	\$38,117,926	\$39,444,957	\$40,673,769	\$40,461,554
13 Grants	\$19,986,890	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenses											
14 O&M	\$17,920,100	\$19,953,168	\$23,050,330	\$23,296,465	\$23,972,833	\$23,613,921	\$23,997,216	\$24,489,435	\$25,016,841	\$25,581,324	\$25,571,827
15 Existing Debt Service	\$2,464,577	\$3,860,865	\$3,860,043	\$3,860,104	\$3,862,799	\$3,746,208	\$3,399,428	\$3,397,216	\$3,399,982	\$3,399,478	\$3,398,579
16 Proposed Debt Service	\$0	\$3,500,000	\$3,500,000	\$3,500,000	\$4,201,045	\$4,201,045	\$4,201,045	\$4,201,045	\$4,201,045	\$4,201,045	\$4,201,045
17 Capital Projects - Cash Funded [3]	\$4,780,695	\$147,067	\$6,988,600	\$8,138,370	\$7,828,475	\$5,555,456	\$13,602,590	\$25,410,265	\$3,812,709	\$7,453,698	\$12,041,426
18 Total Expenses	\$25,165,371	\$27,461,100	\$37,398,972	\$38,794,939	\$39,865,152	\$37,116,630	\$45,200,280	\$57,497,961	\$36,430,577	\$40,635,545	\$45,212,877
19 Net Cash Flow (Annual Surplus/(Deficit))	\$26,387,092	\$6,431,621	(\$2,799,077)	(\$3,249,487)	(\$3,331,222)	(\$1,106,543)	(\$8,008,958)	(\$19,380,036)	\$3,014,380	\$38,224	(\$4,751,322)
20 Beginning Balance	\$75,291,348	\$101,678,440	\$108,110,061	\$105,310,984	\$102,061,497	\$98,730,275	\$97,623,731	\$89,614,774	\$70,234,738	\$73,249,118	\$73,287,342
21 Ending Balance	\$101,678,440	\$108,110,061	\$105,310,984	\$102,061,497	\$98,730,275	\$97,623,731	\$89,614,774	\$70,234,738	\$73,249,118	\$73,287,342	\$68,536,020
22 Target Reserve	\$40,107,536	\$47,911,321	\$51,443,139	\$49,994,309	\$50,601,289	\$53,213,648	\$52,502,421	\$53,545,832	\$54,819,311	\$54,960,542	\$48,541,982
Debt Coverage											
23 Calculated	5.54	1.89	1.57	1.66	1.56	1.56	1.74	1.79	1.90	1.99	1.96
24 Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20

[1] For the benefit of existing customers.

[2] Cost of Stored and Acquired Water cost not already captured within Finished Water. This is a pass-through cost from USBR.

[3] Cash from rate-based revenues, general purpose tax revenue, and capacity fees.

Each item on Table 1-2 is explained in more detail below:

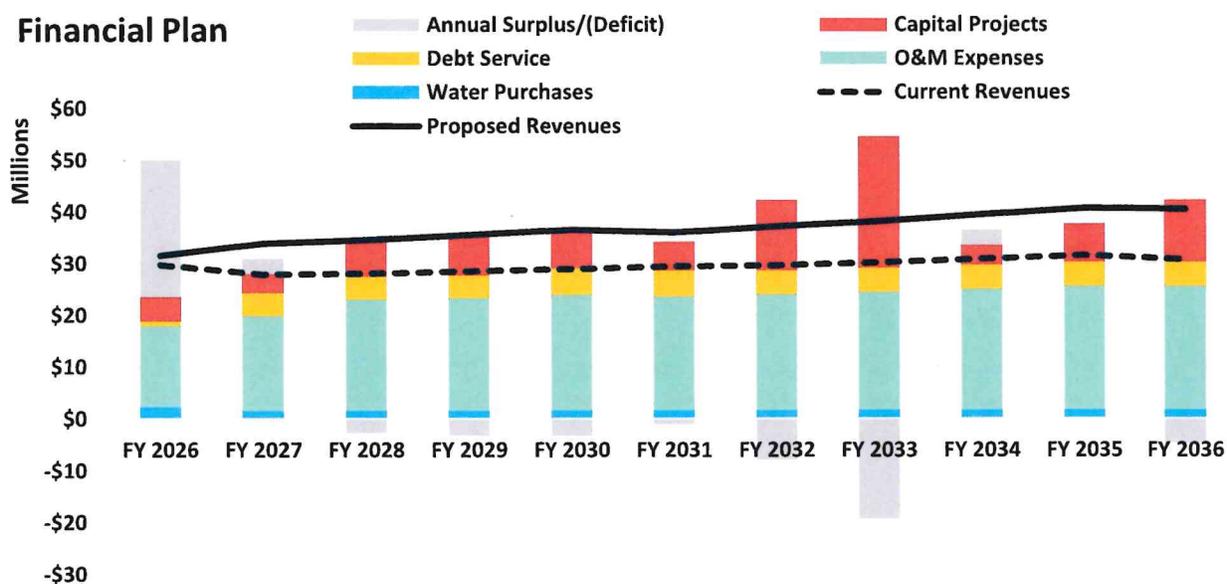
- Line 1 shows revenue from current rates and charges (effective March 1, 2025), assuming no increase but increased demand at the water treatment plants based on forecasted growth. Current rates and charges in Line 1 include: (1) agricultural water rates (excluding the cost of stored and acquired water component); (2) Small Parcel M&I water rates (excluding the cost of stored and acquired water component); (3) groundwater charges; (4) recycled water rates; and (5) power charges.
- Line 2 shows the additional revenue received from the revenue adjustments proposed in Table 1-1.
- Lines 3 and 4 show the projected water reliability charge revenue and capacity fee revenue.
- Lines 5-11 show the other revenue line items including Finished Water (which recovers direct pass-through of finished water costs collected through the M&I water rate), the Cost of Stored and Acquired Water (pass-through cost of CVP deliveries), General Purpose Tax, and Land Only Tax revenues. Interest revenues (Line 11) decrease due to declining reserve balances caused by funding major capital projects with reserves (see Line 17).
- Line 12 shows the projected total revenues per operating year (*i.e.*, the sum of lines 1-11).
- Line 13 shows grant revenue that was obtained to fund the construction of the Accelerated Drought Response Project (ADRoP), a water supply reliability project for existing M&I customers.
- Lines 14 – 17 summarize the O&M expense projections, debt-related expenses, and capital outlays. SBCWD’s capital outlays and O&M expense projections are detailed in Appendices B and C.

- Line 19 shows the annual surplus/deficit.
- Lines 20 and 21 show the beginning and ending Zone 6 fund balance, respectively, during each operating year, including reserve funds. SBCWD’s reserve funds for Zone 6 are described in Appendix D.
- Line 22 shows the target reserves for Zone 6.
- Lines 23 and 24 show the calculated and required debt service coverage ratio.

Overall, Table 1-2 demonstrates that SBCWD’s proposed financial plan supports financial sufficiency and solvency for SBCWD to meet projected expenditures and financial obligations, including debt service, debt coverage, and reserve targets. As explained above, developing the financial plan illustrated by Table 1-2 was the first step in the process of developing the proposed rates. A detailed discussion of the methodology used to develop the proposed rates for FY 2026 – FY 2028 is in Sections 5 and 6, below.

Figure 1-1 graphically illustrates the operating Financial Plan – it compares existing (current) and proposed revenues with projected expenses. The stacked bars show expenses, including O&M expenses, debt service, and cash-funded CIP. Total revenues at existing and proposed rates are shown by horizontal black dashed and black solid lines, respectively. Current revenue from existing rates (dashed line) does not meet future total expenses (it is below the total expenses each year from FY 2027 – FY 2036) and shows the nexus to the proposed revenue adjustments.

Figure 1-1: Proposed Zone 6 Financial Plan



1.3. Proposed Three-Year Rates

The rate study evaluates six different rates or charges that are imposed by SBCWD, including: (1) agricultural water rates; (2) M&I water rates; (3) the water reliability charge for M&I water users; (4) groundwater charges; (5) recycled water rates; and (6) power charges. Each of these rates or charges are imposed using a uniform volumetric approach. Each customer class is charged based on the amount of water extracted (groundwater) or delivered (surface water), on a \$/acre-foot (\$/AF) basis, during each billing cycle. The costs

that are recovered from each user class through the applicable rates or charges are directly proportional to the cost of providing service to that class of user.

1.3.1. Agricultural Water Rates

The current and proposed agricultural water rates through FY 2028 are shown in Table 1-3. The March 1, 2026 Cost of Stored & Acquired Water¹ component was provided by SBCWD as a direct pass-through of USBR costs. The other rate components (SLDMWA, SCVWD, and SBCWD) are based on cost-of-service. All rate components for March 1, 2027 and March 1, 2028 are escalated in accordance with the overall revenue adjustment. Rates have been rounded up to the nearest dollar.

As demonstrated by Table 1-3, reductions to the Cost of Stored & Acquired water, effective March 1, 2026, will decrease 2026 rates by 14 percent compared to current rates (\$306 to \$263). Rates increase marginally in 2027 (\$270) and 2028 (\$278) but will remain 12 percent (2027) and 9 percent (2028) lower than the current rate.

Table 1-3: Current and Proposed Agricultural Rates, \$/AF

San Felipe: Agricultural	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$119.65	\$110.00	\$112.00	\$115.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$118.47	\$83.00	\$85.00	\$87.00
Total	\$306.00	\$263.00	\$270.00	\$278.00

San Felipe: Agricultural Full Cost (RRA Section 205(a)(3))	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$119.65	\$110.00	\$112.00	\$115.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$118.47	\$83.00	\$85.00	\$87.00
Total	\$306.00	\$263.00	\$270.00	\$278.00

San Felipe: Agricultural Full Cost (RRA Section 202(3))	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$119.65	\$110.00	\$112.00	\$115.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$118.47	\$83.00	\$85.00	\$87.00
Total	\$306.00	\$263.00	\$270.00	\$278.00

[1] Cost of Stored & Acquired Water for March 1, 2026 provided by SBCWD. Other years escalated.

This is a pass-through cost from USBR.

[2] Subject to pass-through if actual costs higher than projected.

¹ Pass-through cost from USBR.

1.3.2. M&I Water Rates

Current and proposed M&I rates are shown in Table 1-4. SBCWD calculated the Cost of Stored & Acquired Water² component of the San Felipe rate are based on USBR rates for March 1, 2026 with a minor contingency added to account for potential fluctuations in future year USBR rates. The other rate components (SLDMWA, SCVWD, and SBCWD) are based on cost-of-service. All rate components for March 1, 2027 and March 1, 2028 are escalated in accordance with the overall revenue adjustment. Rates have been rounded up to the nearest dollar.

As demonstrated by Table 1-4, reductions to the Cost of Stored & Acquired water, effective March 1, 2026, will decrease 2026 rates by 33 percent compared to current rates (\$623 to \$417). Rates increase marginally in 2027 (\$428) and 2028 (\$439) but will remain 31 percent (2027) and 30 percent (2028) lower than the current rate. The reduction in rates is driven primarily by a reduction in the assumed costs for purchasing spot-market supplies, which are not anticipated during the term of this rate study.

Table 1-4: Current and Proposed M&I Water Rates, \$/AF

San Felipe: Non-Agricultural (M&I) Wholesale	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$412.36	\$152.00	\$156.00	\$160.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$142.76	\$195.00	\$199.00	\$203.00
Total	\$623.00	\$417.00	\$428.00	\$439.00

San Felipe: Small Parcel Service, Non-Agricultural (M&I)	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$412.36	\$152.00	\$156.00	\$160.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$142.76	\$195.00	\$199.00	\$203.00
Total	\$623.00	\$417.00	\$428.00	\$439.00

[1] Cost of Stored & Acquired Water provided by SBCWD. This includes a pass-through of USBR costs.

[2] Subject to pass-through if actual costs higher than projected.

1.3.3. Water Reliability Charge for M&I

Table 1-5 shows the projected water reliability charge. This charge is designed to recover costs associated with enhancing reliability of the water supply for M&I customers with the construction of ADRoP.

As demonstrated by Table 1-5, effective March 1, 2026, the water reliability charge for M&I will decrease by 45 percent compared to the current rate (\$250 to \$137). This decrease is primarily due to the approximately \$20 million in grant funding that was received for ADRoP, as shown in Line 13 of Table 1-2. Rates increase marginally in 2027 (\$140) and 2028 (\$143) but remain 44 percent and 43 percent lower than the current charge, respectively.

² Pass-through cost from USBR.

Table 1-5: Current and Proposed Water Reliability Charge, \$/AF

Water Reliability Charge [1]	Current	March 1, 2026	March 1, 2027	March 1, 2028
All M&I Customers	\$250.00	\$137.00	\$140.00	\$143.00

[1] Charge to cover reliability projects for the benefit of existing customers.

1.3.4. Groundwater Charges

Table 1-6 shows the current and proposed groundwater charges, which are based on the cost-of-service analysis. The current rate will remain in effect for 2026, but will increase based on the cost-of-service analysis in Section 5 beginning March 1, 2027. A new fee will take effect on March 1, 2028 that is escalated in accordance with the overall revenue adjustment.

As demonstrated by Table 1-6, the per acre-foot groundwater charge will remain unchanged for 2026 for both Agricultural and M&I customers, but will increase by 26 percent and 54 percent on March 1, 2027 for Agricultural and M&I customers, respectively, as compared to the current charge (\$14.30 to \$18 and \$14.30 to \$22). Groundwater charges will increase again by 5-6 percent on March 1, 2028 (\$19 (Agricultural), \$23 (M&I)). These increases are associated with the increased cost of groundwater management for Zone 6, carried out pursuant to SBCWD's authority under its enabling act.

Table 1-6: Current and Proposed Groundwater Rates, \$/AF

Groundwater Charges (Well customers)	Current	March 1, 2026	March 1, 2026	March 1, 2027	March 1, 2028
		COS	Proposed	Proposed	Proposed
Ag	\$14.30	\$17.00	\$14.30	\$18.00	\$19.00
M&I	\$14.30	\$21.00	\$14.30	\$22.00	\$23.00

1.3.5. Recycled Water Rates

Table 1-7 shows the current and proposed recycled water rates and power charges related to pumping recycled water. The March 1, 2026 rates are based on the cost-of-service. The subsequent recycled water charges are escalated in accordance with the overall revenue adjustment. The subsequent recycled water power costs are escalated in accordance with the presumed power cost escalator. The recycled water power charge is also subject to additional pass-through increases if actual costs are higher than projected. Rates have been rounded up to the nearest dollar.

As demonstrated by Table 1-7, effective March 1, 2026, the recycled water rate will decrease by 14 percent compared to the current rate (\$306 to \$263). Rates increase marginally in 2027 (\$269) and 2028 (\$275) but are 12 percent (2027) and 10 percent (2028) lower than the current rate. Effective 2026, the Power Charge for Recycled Water increases by 42 percent (\$108.30 to \$154) and then increases again by 4 percent in 2027 (\$160) and 2028 (\$166).

Table 1-7: Current and Proposed Recycled Water & Power Rates, \$/AF

Recycled Water Rates	Current	March 1, 2026	March 1, 2027	March 1, 2028
Recycled Water	\$306.00	\$263.00	\$269.00	\$275.00
Power Charge*	\$108.30	\$154.00	\$160.00	\$166.00

* Subject to pass-through if actual costs higher than projected.

1.3.6. Power Charge

Table 1-8 shows the current and proposed Power Charges for retail and wholesale customers. Power Charges are based on the cost-of-service rates. If the pass-through portion of the power charges increases, these charges are subject to increased pass-through costs.

Effective March 1, 2026, Power Charges increase by 7 percent (\$43.10 to \$46) and by 12 percent for Subsystems 9L and 9H (\$100.70 to \$113). The Power Charges effective March 1, 2027 and March 1, 2028 are escalated by 4 percent each year in accordance with the presumed power charge escalator. Rates have been rounded up to the nearest dollar.

Table 1-8: Current and Proposed Power Charges, \$/AF

Power Charge	Current	March 1, 2026	March 1, 2027	March 1, 2028
Subsystem 2*	\$43.10	\$46.00	\$48.00	\$50.00
Subsystem 6H*	\$43.10	\$46.00	\$48.00	\$50.00
Subsystem 9L*	\$100.70	\$113.00	\$117.00	\$122.00
Subsystem 9H*	\$100.70	\$113.00	\$117.00	\$122.00
All other subsystems*	\$43.10	\$46.00	\$48.00	\$50.00

* Subject to pass-through if actual costs higher than projected.

2. Introduction

2.1. SBCWD Background

Pursuant to its enabling act, SBCWD is responsible for managing water resources within San Benito County. SBCWD has also elected to become the GSA for San Benito County to ensure compliance with SGMA. In carrying out these roles for the residents of San Benito County, SBCWD contracts with the USBR to receive imported CVP supplies that it uses to provide retail and wholesale water services, including raw water, treated water, and recycled water, and to manage the local groundwater basin. SBCWD owns two surface water treatment plants and manages local and imported surface water through the San Benito River System and the San Felipe Distribution System, respectively. A portion of the drinking water delivered to the Sunnyslope County Water District and City of Hollister becomes recycled water (from the City of Hollister's reclamation plant) that is used for irrigation. The imported water that SBCWD delivers to its customers and applies to direct groundwater recharge improves overall water quality as the groundwater available from local aquifers has varying levels of salts and high mineral content.

2.2. Scope of the Study

SBCWD engaged Raftelis to conduct a comprehensive water rates and fees study that could be utilized to evaluate and optimize its water rates and user charges while ensuring a proportionate recovery of costs from the various user classes. This report documents the resultant findings, analyses, and recommendations.

The scope of this study includes the development of cost-based water rates through a comprehensive cost-of-service analysis and rate-design study process. The three major processes are as follows:

- **Financial Planning:** User information and three-year average water usage data are compiled. Operating and capital costs are compiled and revenue requirements are projected for Fiscal Year (FY) 2026 through FY 2036. Financial planning involves estimation and projection of annual O&M and capital expenditures, annual debt service and reserve requirements, operating and capital revenue sources, and the determination of required revenues from rates and charges.
- **Cost-of-Service Analysis:** The cost-of-service analysis apportions annual revenue requirements to the different user classes, demonstrating the nexus between the cost of providing water service to the various user classes and the revenue collected from each class. This approach is based on standard industry practice and commensurate with the legal requirements of Propositions 218 and 26 and SBCWD's enabling act.
- **Rate Design:** Rate design involves the development of a schedule of rates for each of the different user classes, to proportionately recover the costs attributable to them while considering the pricing objectives of SBCWD.

Note that tables through the report may not add due to rounding.

3. Rate Setting Methodology

As stated in the AWWA M1 Manual, “the costs of water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers.” The four major steps to develop utility rates that comply with Proposition 218 and industry standards while meeting other emerging goals and objectives of the utility are discussed below.

3.1. Calculate Revenue Requirement

The rate-making process starts by determining the test year (rate setting year) revenue requirement. The revenue requirement should sufficiently fund the utility’s O&M, debt service, capital expenses, and other identified costs with funding to reserves (positive cash) or using reserves (negative cash), all based on a long-term financial plan.

3.2. Cost-of-Service Analysis

The annual cost of providing water service is distributed among customer classes commensurate with their service requirements. A cost-of-service analysis involves allocating costs to customer classes in proportion to their burden on the water system.

3.3. Rate Design and Calculations

Rates do more than simply recover costs. Within the legal framework and industry standards, properly designed rates should support and optimize a blend of various utility objectives, such as promoting water conservation, affordability for essential needs, and revenue stability, among other objectives. Rates may also act as a public information tool in communicating these objectives to customers.

3.4. Rate Adoption

Rate adoption is the last step of the rate-making process. This rate study includes documentation regarding the proposed modifications to the six rates and charges that are evaluated below that demonstrates that these rates and charges do not exceed the cost of providing service to each class of user on which the rate or charge is imposed, as required by Propositions 26 and 218. Raftelis documents the rate study results in this report to satisfy these legal requirements and to serve as a public education tool about the proposed changes, the rationale and justifications behind the changes, and their anticipated financial impacts. Appendix A contains a summary of applicable legal requirements.

4. Financial Plan

Consistent with the AWWA M1 Manual, reviewing a utility's revenue requirement is a key first step in the rate study process. In order to determine SBCWD's revenue requirements, Raftelis projected future revenue using existing rates and charges and future revenues from SBCWD's other existing revenue sources and SBCWD's future costs, with both costs and revenues adjusted to take into account future growth and increased water demand. Section 4.1 describes SBCWD's existing revenue sources (rates, charges, and other existing revenue sources) and then projects future revenues from those existing sources without rate adjustments. Section 4.2 identifies SBCWD's future projected costs, adjusted based on anticipated future demand, which were used to determine SBCWD's revenue requirements (O&M expenses, capital costs, debt service, and reserve funding requirements). Section 4.3 presents a financial plan that includes proposed revenue adjustments to the revenue received from existing rates and charges based on the comparison of projected future revenue from existing rates and charges and projected future revenue requirements.

4.1. Projected Revenue from Existing Rates and Charges

SBCWD receives revenues through its existing rates and charges and from other existing revenue sources. This rate study focuses solely on proposed modifications to the following rates and charges: (1) agricultural water rates; (2) M&I water rates; (3) the water reliability charge for M&I water users; (4) groundwater charges; (5) recycled water rates; and (6) power charges. This report does not propose modification to any other existing sources of revenue.

4.1.1. Current Water and Power Rates

SBCWD's water and power rates are set on a volumetric basis (per acre-foot) and new rates typically take effect on March 1 of each year. Table 4-1 shows the current rates (effective March 1, 2025) for water users who receive raw (agricultural) or treated (retail and wholesale M&I) CVP water supplies from the "San Felipe Distribution System." Table 4-1 also shows SBCWD's current power charges, groundwater charges, and recycled water charges.

Table 4-1: Current Rates and Charges

San Felipe Distribution Water Rates Effective March 1, 2025, \$/AF		San Felipe Distribution Water Rates Effective March 1, 2025, \$/AF	
San Felipe Distribution System Water Charges (Water Supply)		Power Charges	
Agricultural(1)		Subsystem 2	\$43.10
Cost of Stored & Acquired Water	\$119.65	Subsystem 6H	\$43.10
SLDMWA	\$11.97	Subsystem 9L	\$100.70
SCVWD	\$55.91	Subsystem 9H	\$100.70
SBCWD	\$118.47	All Other Subsystems	\$43.10
Agricultural - Total	\$306.00		
Non-Agricultural (Municipal & Industrial) - Wholesale		Other Rates Effective March 1, 2025, \$/AF	
Cost of Stored & Acquired Water	\$412.36	Groundwater Charges	
SLDMWA	\$11.97	Metered	
SCVWD	\$55.91	Water Primarily for Municipal & Industrial Purposes	\$14.30
SBCWD	\$142.76	Water Primarily for Agricultural Purposes	\$14.30
Water Reliability Charge	\$250.00		
Non-Agricultural (Municipal & Industrial) - Wholesale	\$873.00	Recycled Water Charges	
Non-Agricultural/ Small Parcel (Municipal & Industrial)		Recycled Water Charge	\$306.00
Cost of Stored & Acquired Water	\$412.36	Power Charge	\$108.30
SLDMWA	\$11.97	Minimum Annual Purchase of Water for Each Parcel	\$700.00
SCVWD	\$55.91	(applied to water charge)	
SBCWD	\$142.76		
Water Reliability Charge	\$250.00		
Non-Agricultural/ Small Parcel (Municipal & Industrial)	\$873.00		

(1) Agricultural, Full Cost (RRA Section 205(a)(3)), Full Cost (RRA Section 202(3))

4.1.2. Projected Water and Power Use

Based on discussions with SBCWD staff, the assumption is that growth will occur with respect to the water required from the treatment plants (Finished Water). The SBCWD's engineer, HDR, has estimated a low-growth scenario of approximately 3 percent per year through FY 2030 then lowering to about 2.5 percent per year in the final water supply and treatment master plan report³. This rate study relies on that low demand scenario to project anticipated future water usage from the water treatment plants (M&I WTP Plants). Future water usage by other customer classes (agricultural, groundwater, and recycled water users) is not projected to increase. These anticipated future use projections closely align with recent growth trends and expected future development. Table 4-2 summarizes the projected water usage.

Table 4-2: Projected Customer Usage, AF

Customer Usage Data	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
San Felipe Distribution Water											
Ag	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,970
Ag Full Cost	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740
M&I	97	97	97	97	97	97	97	97	97	97	97
M&I Small Parcel	132	132	132	132	132	132	132	132	132	132	132
M&I (WTP Plants)	4,100	4,224	4,352	4,484	4,620	4,732	4,856	4,981	5,111	5,246	5,385
Total Surface Water (AF)	12,039	12,162	12,290	12,423	12,559	12,671	12,795	12,920	13,050	13,184	13,323
Recycled Water	420	420	420	420	420	420	420	420	420	420	420
Groundwater - Wells											
Ag	16,310	16,310	16,310	16,310	16,310	16,310	16,310	16,310	16,310	16,310	16,310
M&I	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Total Groundwater	21,110										
Total Water Usage (AF)	33,569	33,692	33,820	33,953	34,089	34,201	34,325	34,450	34,580	34,714	34,853

³ Kennedy, Holly, et al., "Final San Benito Urban Areas Water Supply and Treatment Master Plan Update", HDR, Folsom, California, October 2023.

Table 4-3 shows the projected power usage. All power usage remains flat except for Subsystem 9L, which includes the Lessalt water treatment plant, and All Other Subsystems, which includes the West Hills water treatment plant (i.e., power usage is only anticipated to increase for M&I users).

Table 4-3: Projected Power-Related Usage, AF

Power System	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Subsystem 2	173	173	173	173	173	173	173	173	173	173	173
Subsystem 6H	41	41	41	41	41	41	41	41	41	41	41
Subsystem 9L	1,364	1,404	1,446	1,490	1,535	1,571	1,612	1,653	1,696	1,740	1,786
Subsystem 9H	154	154	154	154	154	154	154	154	154	154	154
All Other Subsystems	10,158	10,241	10,327	10,416	10,508	10,582	10,666	10,750	10,837	10,927	11,021
Recycled Power Charge	420	420	420	420	420	420	420	420	420	420	420
Total Power-Related Usage	12,309	12,433	12,561	12,693	12,830	12,941	13,066	13,191	13,321	13,455	13,594

4.1.3. Revenue Projections

4.1.3.1. Revenue from Rates and Charges

Table 4-4 shows the projected rate revenue based on current rates and charges, as adjusted for projected future water use. San Felipe Distribution water revenues exclude revenues associated with pass-through costs which fall into two categories (Finished Water and Cost of Stored and Acquired Water) and are shown on Table 4-5.

Table 4-4: Rate Revenue Under Existing Rates

Line Item	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
San Felipe Dist. Water*	\$2,348,575	\$2,374,600	\$2,401,559	\$2,429,426	\$2,458,199	\$2,481,659	\$2,507,841	\$2,534,152	\$2,561,630	\$2,589,885	\$2,619,178
Power Charges	\$599,848	\$607,519	\$615,458	\$623,663	\$632,136	\$639,044	\$646,753	\$654,501	\$662,592	\$670,912	\$679,537
Groundwater	\$301,873	\$301,873	\$301,873	\$301,873	\$301,873	\$301,873	\$301,873	\$301,873	\$301,873	\$301,873	\$301,873
Recycled Water & Power	\$174,006	\$174,006	\$174,006	\$174,006	\$174,006	\$174,006	\$174,006	\$174,006	\$174,006	\$174,006	\$174,006
Total Revenue	\$3,424,302	\$3,457,998	\$3,492,895	\$3,528,968	\$3,566,214	\$3,596,582	\$3,630,473	\$3,664,532	\$3,700,100	\$3,736,676	\$3,774,594

* Excluding the Cost of Stored & Acquired Water component, which is a pass-through from USBR.

4.1.3.2. Other Revenues

Table 4-5 shows other projected revenue sources for SBCWD that are not being evaluated in this rate study. The line items in Table 4-5 include revenues from direct pass-through of third-party charges (e.g., Finished Water and the Cost of Stored and Acquired Water), interest earnings, taxes, and other miscellaneous sources. The revenues from the pass-through charge for “Finished Water” includes the cost of stored and acquired water from the CVP, the operating and maintenance costs for water treatment plants, additions to the water treatment plant asset replacement reserve, and debt service associated with the water treatment plants. These revenues are collected from wholesale and retail treated water customers and increase based on the projected increases in demand identified above. The revenues from the pass-through charge for “Cost of Stored & Acquired Water” include only the cost of stored and acquired water from the CVP and are collected from untreated water customers. Pass-through increases have not been forecast. Table 4-5 also includes miscellaneous operating and non-operating revenues, general tax revenue, land tax revenue, and interest earnings on cash balances. Other operating and non-operating revenue, as well as general tax revenue, increases at 1.5 percent per year. Land tax increases at 3 percent per year.

Table 4-5: Other Revenues

Line Item	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Finished Water*	\$8,878,168	\$8,318,332	\$8,495,979	\$8,679,263	\$8,868,347	\$9,058,449	\$8,913,386	\$9,116,704	\$9,326,697	\$9,543,241	\$8,748,694
Cost of Stored & Acquired Water**	\$972,672	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419
Other Operating Revenue	\$22,000	\$22,330	\$22,665	\$23,005	\$23,350	\$23,700	\$24,056	\$24,417	\$24,783	\$25,155	\$25,532
General Purpose Tax	\$1,049,500	\$1,065,243	\$1,081,221	\$1,097,439	\$1,113,901	\$1,130,610	\$1,147,569	\$1,164,782	\$1,182,254	\$1,199,988	\$1,217,988
Land Only Tax	\$11,121,500	\$11,455,145	\$11,798,799	\$12,152,763	\$12,517,346	\$12,892,867	\$13,279,653	\$13,678,042	\$14,088,383	\$14,511,035	\$14,946,366
Other Non-Operating Revenues	\$1,270,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250
Interest Income	\$2,489,636	\$1,735,777	\$1,331,158	\$1,172,427	\$1,015,604	\$894,343	\$776,281	\$688,744	\$671,364	\$617,137	\$114,662
Total Other Revenue	\$25,803,726	\$23,799,496	\$23,932,491	\$24,327,567	\$24,741,217	\$25,202,637	\$25,343,613	\$25,875,357	\$26,496,149	\$27,099,224	\$26,255,911

* Direct pass through of wholesale cost of stored & acquired water, operations & maintenance costs of the WTP, additions to the WTP asset replacement reserve, and debt service associated with the WTPs.

** Excluding Cost of Stored & Acquired Water revenues captured within Finished Water. The cost of stored and acquired water is a pass-through cost from USBR.

4.2. Revenue Requirements

SBCWD’s revenue requirements are comprised of four primary cost categories: (1) O&M; (2) capital projects; (3) debt service; and (4) reserve targets. Each of these cost components are identified in Table 4-6 through Table 4-9 and are described in more detail below.

4.2.1. Operating and Maintenance Expenses

Table 4-6 shows SBCWD’s projected O&M expenses for the study period. These costs are escalated each year using the following assumptions: (1) general-related costs escalate at 3.0 percent per year; (2) salary-related costs escalate at 2.5 percent per year; (3) benefits escalate at 6 percent per year; and (4) utilities escalate at 3.5 percent per year. The detailed O&M expenses are shown in Appendix C.

Table 4-6: O&M Expenses

Line Item	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Cost Of Water [1]	\$2,319,651	\$1,515,951	\$1,535,149	\$1,554,994	\$1,575,484	\$1,592,190	\$1,610,834	\$1,629,571	\$1,649,138	\$1,669,259	\$1,690,119
Water Treatment Plants	\$4,978,852	\$5,132,463	\$5,290,911	\$5,454,352	\$5,622,945	\$5,796,341	\$5,975,348	\$6,159,930	\$6,350,355	\$6,546,778	\$6,749,419
Direct Power & Other Power (Raw Water)	\$435,350	\$452,246	\$469,852	\$488,199	\$507,319	\$526,791	\$547,210	\$568,424	\$590,546	\$613,586	\$637,606
USBR Mandatory Contract	\$1,942,152	\$4,463,378	\$6,984,605	\$6,984,605	\$6,984,605	\$6,984,605	\$6,984,605	\$6,984,605	\$6,984,605	\$6,984,605	\$6,281,862
Contract Services	\$1,755,804	\$1,319,070	\$1,358,642	\$1,415,384	\$1,441,383	\$1,612,323	\$1,546,629	\$1,575,038	\$1,622,289	\$1,690,043	\$1,869,124
General and Administrative	\$401,700	\$413,751	\$426,164	\$438,948	\$452,117	\$465,680	\$479,651	\$494,040	\$508,862	\$524,127	\$539,851
Materials and Equipment	\$925,320	\$953,080	\$981,672	\$1,011,122	\$1,041,456	\$1,072,699	\$1,104,880	\$1,138,027	\$1,172,168	\$1,207,333	\$1,243,553
Utilities	\$295,600	\$307,072	\$319,027	\$331,484	\$344,467	\$357,688	\$371,552	\$385,956	\$400,977	\$416,621	\$432,930
Wages and Employee Related Expenses	\$3,214,371	\$3,317,646	\$3,424,870	\$3,536,225	\$3,651,901	\$3,772,098	\$3,897,026	\$4,026,907	\$4,161,975	\$4,302,474	\$4,448,665
Spot Purchases Until ASR Phase I online	\$0	\$814,983	\$955,415	\$735,330	\$962,188	\$0	\$0	\$0	\$0	\$0	\$0
Semitropic O&M	\$8,600	\$8,858	\$9,124	\$9,397	\$9,679	\$9,970	\$10,269	\$10,577	\$10,894	\$11,221	\$11,558
Costs Associated with Santa Clara Valley WD	\$658,700	\$678,461	\$698,815	\$719,779	\$741,373	\$763,614	\$786,522	\$810,118	\$834,421	\$859,454	\$885,238
Costs Associated with San Luis Delta Mendota (Other)	\$984,000	\$576,210	\$596,084	\$616,644	\$637,916	\$659,922	\$682,689	\$706,242	\$730,610	\$755,821	\$781,903
END OF WORKSHEET	\$17,920,100	\$19,953,168	\$23,050,330	\$23,296,465	\$23,972,833	\$23,613,921	\$23,997,216	\$24,489,435	\$25,016,841	\$25,581,324	\$25,571,827

[1] This is a pass-through cost from USBR.

O&M expenses fall into five primary cost categories: (1) cost of water; (2) charges from USBR; (3) charges from San Luis and Delta-Mendota Water Authority (“SLDMWA”); (4) charges from Santa Clara Valley Water District (“SCVWD”); and (5) SBCWD’s overhead costs.

- **Cost of Water:** This cost category includes the line item for “cost of water,” which are the pass through costs incurred from the USBR. In addition to pass-through costs from the USBR, the cost of water also includes costs attributable only to M&I users (e.g., water treatment plants) and costs attributable only to agricultural water users (e.g., direct power & other power).
- **USBR Debt Payments:** This cost category recovers costs associated with SBCWD’s contract with the USBR to receive water from the CVP, primarily the capital costs associated with the original construction of the facilities needed to convey CVP water to San Benito County.

- SLDMWA Charges:** This cost category recovers costs associated with SLDMWA charges for the District’s share of maintaining and operating CVP facilities. This is a pass-through cost that is imposed equally on all customer classes that receive imported CVP supplies on a volumetric basis.
- SCVWD Charges:** This cost category recovers costs associated with SCVWD charges for maintaining and operating the San Felipe Reach 1 section of the pipeline from San Luis Reservoir to Casa de Fruta. This is a pass-through cost that is imposed equally on all customer classes that receive imported CVP supplies on a volumetric basis.
- SBCWD Operational Costs:** This cost category includes SBCWD’s overall operational expenses and includes the following line items from Table 4-6: contract services, general and administrative, material and equipment, wages and employee related expenses, and utilities.

4.2.2. Capital Improvement Plan and Funding

SBCWD has developed a capital improvement program to address current and future needs of the water system. Based on discussions with SBCWD staff, the model presumes that capital costs escalate at 5 percent per year for FY 2026 and FY 2027, then lower to 4 percent per year for FY 2028 and FY 2029, then level out at the long-term historical average of 3 percent per year. Anticipated capital improvements are summarized in Figure 4-1 and costs at the project category level are shown in Table 4-7. The large cost increase in the capital financing plan shown for FY 2026 is due to the costs associated with ADRoP. Aside from the costs associated with ADRoP, the other planned cost increase shown in the capital financing plan (between FY 2030 and FY 2033) is due to implementation of a supply and reliability project and implementation of the Delta-Mendota Canal Subsidence Project. A detailed version of the capital improvement plan is in Appendix B.

Figure 4-1: Capital Improvement Program with Funding Sources

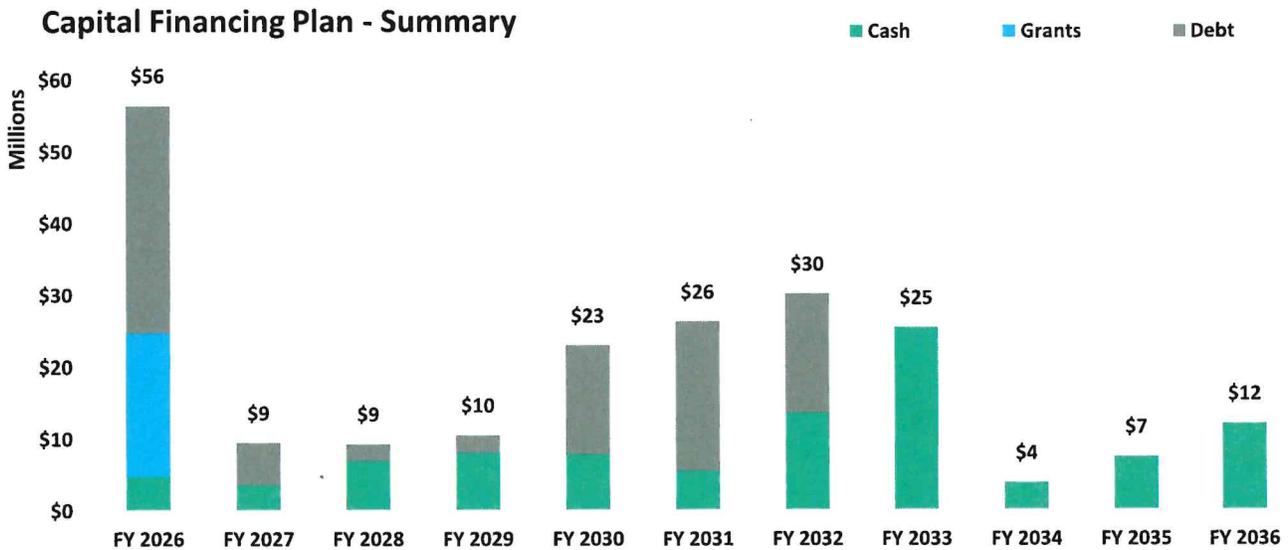


Table 4-7: Proposed Capital Improvement Program

Project Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Pumping System Evaluation & Rebuild	\$59,370	\$62,338	\$64,832	\$67,425	\$69,448	\$71,531	\$73,677	\$75,888	\$78,164	\$80,509	\$82,924
WTP Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,533,538	\$0
Pacheco Pump Replacement	\$0	\$0	\$0	\$799,852	\$823,847	\$848,563	\$874,020	\$0	\$0	\$0	\$0
Lateral Rehabs	\$835,761	\$542,415	\$550,184	\$639,412	\$1,117,212	\$1,112,401	\$284,221	\$0	\$0	\$0	\$0
SBCWD Share of SCVWD Projects	\$24,560	\$212,560	\$3,439,881	\$3,589,869	\$2,691,833	\$309,971	\$4,279,647	\$0	\$0	\$0	\$0
SLDM: Canal Subsidence Estimate	\$0	\$0	\$0	\$0	\$12,700,253	\$0	\$0	\$0	\$0	\$0	\$0
Special Shelf Angle Replacement	\$2,475,000	\$2,598,750	\$2,702,700	\$2,810,808	\$2,895,132	\$2,981,986	\$3,071,446	\$3,163,589	\$3,258,497	\$3,356,252	\$0
Supply & Reliability Projects	\$52,749,979	\$2,280,019	\$2,258,756	\$2,349,106	\$2,419,580	\$20,680,352	\$21,300,762	\$21,939,785	\$245,044	\$252,396	\$11,958,501
Total CIP	\$56,144,670	\$5,696,083	\$9,016,353	\$10,256,473	\$22,717,305	\$26,004,804	\$29,883,773	\$25,179,262	\$3,581,705	\$7,222,694	\$12,041,426

4.2.3. Debt Service

Debt service requirements include principal and interest payments being made on bonds and loans previously issued, as well as forecasted payments for projected future bonds and loans.

4.2.3.1. Existing Debt Service

SBCWD has three outstanding loans. The annual existing debt service over the financial planning period is summarized in Table 4-8.

Table 4-8: Existing Debt Service

Line Item	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
WIIN CBT	\$225,662	\$226,006	\$226,269	\$226,451	\$226,553	\$226,573	\$226,513	\$226,372	\$226,150	\$225,848	\$225,464
Citi National	\$463,117	\$463,117	\$463,117	\$463,117	\$463,117	\$347,338	\$0	\$0	\$0	\$0	\$0
UAL	\$243,167	\$242,867	\$243,407	\$242,786	\$243,004	\$243,047	\$242,915	\$243,594	\$243,082	\$243,381	\$242,489
Total	\$931,946	\$931,990	\$932,793	\$932,354	\$932,674	\$816,958	\$469,428	\$469,966	\$469,232	\$469,228	\$467,954

4.2.3.2. Projected New and Proposed Debt Service

The financial plan includes a new bond that was recently issued for ADRoP and presumes two new bonds will be issued over the financial planning period to help cover implementation of a water supply and reliability project and the Delta-Mendota Canal Subsidence Project. The debt for ADRoP was obtained in FY 2025 with payments starting in FY 2026. The debt for the water supply and reliability project is based on a 5.6 percent interest rate, a 30-year term, and a 0.9 percent cost of issuance. The debt for the Delta-Mendota Canal Subsidence Project is based on 3.5 percent interest rate, 30-year term, and a 1.5 percent issuance cost⁴. Table 4-9 shows the new ADRoP debt and proposed debt service for the water supply and canal projects included in the financial plan.

Table 4-9: New and Proposed Debt Service

Line Item	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Water Reliability Project	\$1,532,631	\$2,928,875	\$2,927,250	\$2,927,750	\$2,930,125	\$2,929,250	\$2,930,000	\$2,927,250	\$2,930,750	\$2,930,250	\$2,930,625
Water Supply Project	\$0	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Canal Subsidence	\$0	\$0	\$0	\$0	\$701,045	\$701,045	\$701,045	\$701,045	\$701,045	\$701,045	\$701,045
Total	\$1,532,631	\$6,428,875	\$6,427,250	\$6,427,750	\$7,131,170	\$7,130,295	\$7,131,045	\$7,128,295	\$7,131,795	\$7,131,295	\$7,131,670

4.2.4. Reserve Targets

SBCWD has several operating and capital reserves for Zone 6, as shown in Table 4-10. A description of the purpose of each reserve is shown in Appendix D.

⁴ These assumptions are for planning purposes, and SBCWD should work with its municipal financial advisor as the time to bid projects nears to reflect capital pricing and bond market terms and conditions at that time.

Table 4-10: Reserve Balances at Beginning of FY 2026

Reserve	FY 2026 Beginning Balance
Undesignated	\$27,802,136
Operations Reserves	\$3,110,298
Capital Improvement Reserves	\$5,269,611
Self-Insurance Reserve	\$100,000
Capital Asset Replacement Reserve	\$3,477,278
OPEB Trust	\$942,371
Water Supply Revolving Reserve	\$2,270,980
Future Water Supply Project	\$1,643,685
San Felipe - Holister Conduit Reserve	\$250,000
San Felipe - Reach 1 Reserve	\$585,030
USBR Reserve	\$24,685,457
Reach 1 Major R&R Reserve	\$3,795,352
WTP - Asset Replacement	\$5,024,780
Total	\$78,956,978

4.3. Proposed Financial Plan and Revenue Adjustments

The proposed financial plan enables SBCWD to set rates to generate sufficient revenues to meet its short-term and long-term obligations and avoid significant future rate fluctuations. The plan shows the revenues that will be used to maintain appropriate reserves and provide adequate debt coverage while maintaining a sensitivity to rate increases.

To meet projected revenue requirements and to maintain desired reserve levels, the revenue adjustments shown in Table 4-11 are proposed to the existing water rates. Revenue adjustments are shown outside the rate setting period (FY 2026 – FY 2028) *for planning purposes only* and are subject to future Board approval.

Table 4-11: Annual Revenue Adjustments

Effective Date	Increase
3/1/2026	2%
3/1/2027	2%
3/1/2028	2%
3/1/2029	2%
3/1/2030	2%
3/1/2031	2%
3/1/2032	2%
3/1/2033	2%
3/1/2034	2%
3/1/2035	2%

The Zone 6 financial plan shown in Table 4-12 provides a basis for evaluating the timing and level of water revenue adjustments needed to meet the revenue requirements over the study period. The financial plan shows an annual adjustment starting in FY 2026.

Table 4-12: Zone 6 Financial Plan

Line Item	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Revenues											
1 Water Sales and Power Charges	\$3,424,302	\$3,457,998	\$3,492,895	\$3,528,968	\$3,566,214	\$3,596,582	\$3,630,473	\$3,664,532	\$3,700,100	\$3,736,676	\$3,774,594
2 Total Adjustments	\$22,829	\$92,674	\$165,340	\$240,968	\$319,705	\$400,808	\$485,286	\$572,926	\$664,059	\$758,769	\$857,290
3 Water Reliability Charge [1]	\$593,045	\$623,328	\$654,987	\$688,043	\$722,535	\$754,011	\$788,159	\$823,149	\$859,781	\$897,801	\$937,448
4 Capacity Fee Revenue	\$1,721,671	\$5,865,926	\$6,264,225	\$6,667,673	\$7,089,689	\$5,959,085	\$6,844,373	\$7,080,026	\$7,620,352	\$8,074,137	\$8,614,558
Other Revenue											
5 Other Operating Revenue	\$22,000	\$22,330	\$22,665	\$23,005	\$23,350	\$23,700	\$24,056	\$24,417	\$24,783	\$25,155	\$25,532
6 Finished Water	\$8,878,168	\$8,318,332	\$8,495,979	\$8,679,263	\$8,868,347	\$9,058,449	\$8,913,386	\$9,116,704	\$9,326,697	\$9,543,241	\$8,748,694
7 Cost of Stored & Acquired Water [2]	\$972,672	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419	\$882,419
8 General Purpose Tax	\$1,049,500	\$1,065,243	\$1,081,221	\$1,097,439	\$1,113,901	\$1,130,610	\$1,147,569	\$1,164,782	\$1,182,254	\$1,199,988	\$1,217,988
9 Land Only Tax	\$11,121,500	\$11,455,145	\$11,798,799	\$12,152,763	\$12,517,346	\$12,892,867	\$13,279,653	\$13,678,042	\$14,088,383	\$14,511,035	\$14,946,366
10 Other Non-Operating Revenues	\$1,270,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250	\$320,250
11 Interest Income	\$2,489,636	\$1,789,077	\$1,421,115	\$1,264,661	\$1,110,174	\$991,307	\$875,699	\$790,679	\$775,880	\$724,299	\$136,417
12 Total Revenue	\$31,565,573	\$33,892,721	\$34,599,896	\$35,545,452	\$36,533,930	\$36,010,087	\$37,191,322	\$38,117,926	\$39,444,957	\$40,673,769	\$40,461,554
13 Grants	\$19,986,890	\$0	\$0	\$0	\$0						
Expenses											
14 O&M	\$17,920,100	\$19,953,168	\$23,050,330	\$23,296,465	\$23,972,833	\$23,613,921	\$23,997,216	\$24,489,435	\$25,016,841	\$25,581,324	\$25,571,827
15 Existing Debt Service	\$2,464,577	\$3,860,865	\$3,860,043	\$3,860,104	\$3,862,799	\$3,746,208	\$3,399,428	\$3,397,216	\$3,399,982	\$3,399,478	\$3,398,579
16 Proposed Debt Service	\$0	\$3,500,000	\$3,500,000	\$3,500,000	\$4,201,045	\$4,201,045	\$4,201,045	\$4,201,045	\$4,201,045	\$4,201,045	\$4,201,045
17 Capital Projects - Cash Funded [3]	\$4,780,695	\$147,067	\$6,988,600	\$8,138,370	\$7,828,475	\$5,555,456	\$13,602,590	\$25,410,265	\$3,812,709	\$7,453,698	\$12,041,426
18 Total Expenses	\$25,165,371	\$27,461,100	\$37,398,972	\$38,794,939	\$39,865,152	\$37,116,630	\$45,200,280	\$57,497,961	\$36,430,577	\$40,635,545	\$45,212,877
19 Net Cash Flow (Annual Surplus/(Deficit))	\$26,387,092	\$6,431,621	(\$2,799,077)	(\$3,249,487)	(\$3,331,222)	(\$1,106,543)	(\$8,008,958)	(\$19,380,036)	\$3,014,380	\$38,224	(\$4,751,322)
20 Beginning Balance	\$75,291,348	\$101,678,440	\$108,110,061	\$105,310,984	\$102,061,497	\$98,730,275	\$97,623,731	\$89,614,774	\$70,234,738	\$73,249,118	\$73,287,342
21 Ending Balance	\$101,678,440	\$108,110,061	\$105,310,984	\$102,061,497	\$98,730,275	\$97,623,731	\$89,614,774	\$70,234,738	\$73,249,118	\$73,287,342	\$68,536,020
22 Target Reserve	\$40,107,536	\$47,911,321	\$51,443,139	\$49,994,309	\$50,601,289	\$53,213,648	\$52,502,421	\$53,545,832	\$54,819,311	\$54,960,542	\$48,541,982
Debt Coverage											
23 Calculated	5.54	1.89	1.57	1.66	1.56	1.56	1.74	1.79	1.90	1.99	1.96
24 Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20

[1] For the benefit of existing customers.

[2] Cost of Stored and Acquired Water cost not already captured within Finished Water. This is a pass-through cost from USBR.

[3] Cash from rate-based revenues, general purpose tax revenue, and capacity fees.

Figure 4-2 shows the projected fund balance for Zone 6. With the mix of rates, charges, and bond issues, the fund balances are projected to be drawn down yet stay above target over the planning horizon.

Figure 4-2: Zone 6 Projected Fund Balance

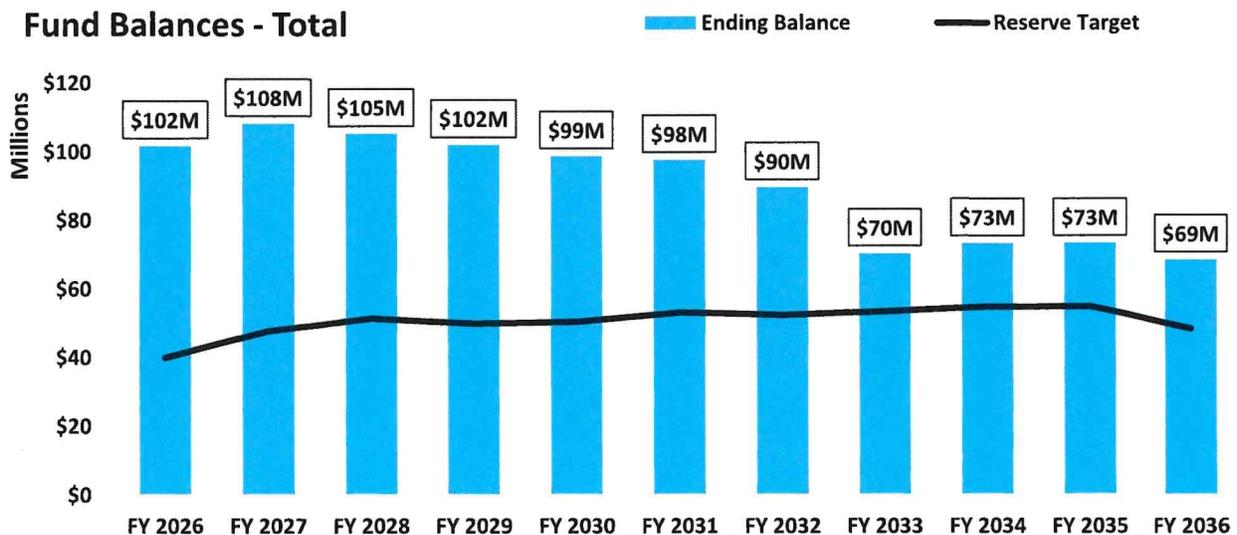
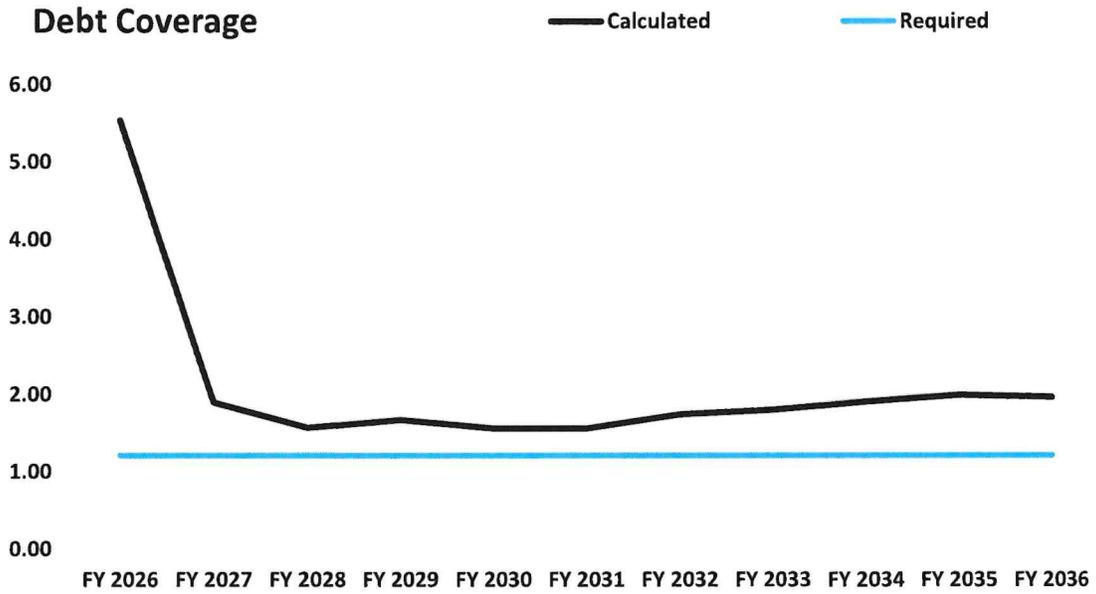


Figure 4-3 graphically displays the projected debt service coverage. With the proposed revenue adjustments and given the assumptions made for this study, SBCWD is expected to stay above its target debt service coverage ratio.

Figure 4-3: Projected Debt Service Coverage



5. Cost-of-Service Analysis

The overall goal of the cost-of-service analysis is to allocate the revenue requirement to the following customer classes: (1) Zone 6 agricultural water service; (2) Zone 6 M&I water service, wholesale and retail; (3) recycled water service; (4) Zone 6 groundwater users; and (5) power customers. Cost-of-service analyses are based on a single year, the “test year”. The allocation of revenue requirements is based on direct assignments or by usage. The allocation process ultimately determines the costs on a unit basis (e.g., volumetric charges). The unit rates then help guide the process for setting rates. This process follows the guidelines set out in the AWWA M1 Manual, modified, as applicable, to align with applicable legal requirements (e.g., Propositions 26 and 218).

After determining a utility’s revenue requirement, the next step in a cost-of-service analysis is to assign the “net revenue requirements” (i.e., revenue requirements, less other applicable revenue sources) to each customer class based on the proportional cost of providing service to that customer class. A summary of the framework for allocating net revenue requirements to the four customer classes that pay rates or charges included within this rate study is:

(1) Zone 6 agricultural water service: The costs imposed on customers that receive agricultural water service include: (a) pass-through costs associated with SLDMWA and SCVWD charges; (b) SBCWD’s direct costs associated with agricultural water service; and (c) a portion of SBCWD’s operational costs.

(2) Zone 6 M&I water service, wholesale and retail: The costs imposed on customers that receive agricultural water service include: (a) pass-through costs associated with SLDMWA and SCVWD charges; (b) SBCWD’s direct costs associated with M&I water service; and (c) a portion of SBCWD’s operational costs.

(3) Recycled water service: The costs associated with recycled water operations, maintenance, and power supply.

(4) Zone 6 groundwater users (Agricultural and M&I): The costs associated with maintaining groundwater supplies for all groundwater extractors within Zone 6, including planning for groundwater management activities and carrying out groundwater management (direct and indirect recharge). Groundwater costs specific to groundwater extractions for agricultural purposes or for M&I purposes are allocated to those specific customer classes.

(5) Power customers: Power costs associated with importing CVP supplies and treating imported CVP supplies are allocated to water users who receive water service from SBCWD on a per acre-foot basis based on actual usage.

5.1. Revenue Requirements (Costs-of-Service) to be Allocated

The annual cost-of-service, or revenue requirement, to be recovered from water rates includes O&M expenses (Table 4-6), capital costs (Table 4-7), debt service (Table 4-8 and Table 4-9), and maintaining target reserve balances (Table 4-12). The total FY 2026 net cost-of-service to be recovered by SBCWD customers is shown

at the bottom of Table 5-1. The cost-of-service analysis is based on the need to generate revenues adequate to meet this estimated revenue requirement. As part of the cost-of-service analysis, revenues from sources other than water rates are deducted from the appropriate cost elements (“Revenue Offsets”). Additional deductions are made for interest income and other non-operating income during FY 2026. Adjustments are also made for adjustments to reserves.

Table 5-1: Projected Net Revenue Requirement, FY 2026

No. Line Item	Operating	Capital-Related	Total
Total Revenue Requirements			
1 O&M	\$17,920,100		\$17,920,100
Debt Service			
2 WIIN Debt Service		\$225,662	\$225,662
3 Citi National DS		\$463,117	\$463,117
4 UAL Sterling		\$243,167	\$243,167
Capital			
5 RW Repayment		\$231,003	\$231,003
6 Cash Funded Capital		\$3,370,131	\$3,370,131
7 Reach 1 Major R&R		\$24,560	\$24,560
8 Transfer to Water Reliability		\$1,532,631	\$1,532,631
9 Subtotal Revenue Requirements	\$17,920,100	\$6,090,271	\$24,010,371
Revenue Offsets			
10 Other Operating Revenue	-\$22,000		-\$22,000
11 Finished Water	-\$6,325,831	-\$2,552,337	-\$8,878,168
12 Cost of Stored & Acquired Water [1]	-\$972,672		-\$972,672
13 General Purpose Tax	-\$731,999	-\$317,501	-\$1,049,500
14 Land Only Tax	-\$11,121,500		-\$11,121,500
14 Other Non-Operating Revenues	-\$1,270,250		-\$1,270,250
15 Interest Income		-\$2,489,636	-\$2,489,636
16 Subtotal Revenue Offsets	-\$20,444,252	-\$5,359,474	-\$25,803,726
Adjustments			
17 To (from) Reserves	\$4,174,730	\$1,065,756	\$5,240,486
18 Additional Rev. for Partial-year Adj.		\$45,657	\$45,657
19 Subtotal Adjustments	\$4,174,730	\$1,111,413	\$5,286,143
20 Costs to be Recovered from Rates	\$1,650,578	\$1,842,210	\$3,492,788

[1] Cost of Stored and Acquired Water not already captured within Finished Water.

This is a pass-through cost from USBR.

5.2. Allocation of Revenue Requirements to Cost Components

Once the costs to be recovered from rate-based revenue are determined, the costs are allocated to cost components, in this case SBCWD’s customer classes. Net O&M expense, shown in the “Operating” column of Table 5-1, is allocated to the different rate components as shown in Table 5-2. O&M line item expenses are allocated based on input and review by SBCWD. For example, O&M costs associated with M&I water service (“finished water”) are allocated 100 percent to Zone 6 M&I water customers. O&M costs solely for groundwater management are allocated 100 percent to Zone 6 groundwater users. Source of supply costs (i.e., pass-through costs) are allocated equally to each customer class on a volumetric basis. Allocation of particular

O&M line items to each customer class is shown in Appendix E. Revenue offsets and adjustments are allocated based on discussions with SBCWD or are a direct pass-through offset (i.e., these revenues reduce the total O&M expenses to be recovered through rates and charges).

Net Capital-Related costs are allocated as shown in Table 5-3. Most costs are directly assigned. Those that are not, are allocated like net plant investment. The allocation of net plant investment is shown in Appendix F.

The tables and appendices referenced above demonstrate that, after application of relevant revenue offsets, the rates and charges evaluated in this rate study are only used to generate revenues necessary to pay costs that are directly associated with providing the service for which each rate or charge is imposed. Because the rates and charges evaluated in this rate study only recover costs that are directly associated with providing the service for which the rates and charges are imposed, SBCWD's methodology for allocating costs to each customer class satisfies the substantive requirements of Propositions 26 and 218 and SBCWD's enabling act (i.e., the costs recovered through each rate or charge do not exceed the cost of providing service).

Table 5-2: Net O&M Allocation

Line Item	Test Year	Groundwater		San Felipe				SF - Stored & Acquired [1]		SBCWD				Power Charge		Finished		Recycled	
		All	M&I Only	Ag Only	M&I Only	SVCVWD	SLDMWA	SVCVWD	SBCWD	SBCWD Ag Only	SBCWD M&I Only	All	Sub9	Water	Water	Water	Power	Water	Power
O&M	\$17,920,100	\$758,252	\$31,071	\$24,735	\$972,672	\$8,600	\$634,277	\$802,686	\$6,284,947	\$14,688	\$183,156	\$1,488,833	\$76,781	\$6,325,831	\$264,572	\$49,000			
Revenue Offsets & Adjustments																			
Other Operating Revenue	-\$22,000	-\$1,818	-\$74	-\$59	\$0	\$0	\$0	\$0	-\$15,068	-\$35	-\$439	-\$3,570	-\$184	\$0	-\$634	-\$117			
Finished Water	-\$6,325,831	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$6,325,831	\$0	\$0			
Cost of Water [1]	-\$972,672	\$0	\$0	\$0	-\$972,672	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
General Purpose Tax	-\$731,999	-\$709,199	\$0	\$0	\$0	\$0	-\$4,000	-\$18,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Land Only Tax	-\$11,121,500	\$0	\$0	\$0	\$0	\$0	-\$485,762	-\$126,848	-\$8,259,245	-\$18,705	-\$233,257	-\$1,650,000	\$0	\$0	-\$347,683	\$0			
Other Non-Operating	-\$1,270,250	-\$104,966	-\$4,301	-\$3,424	\$0	\$0	\$0	-\$870,033	-\$2,033	-\$25,354	-\$206,101	-\$10,629	\$0	\$0	-\$36,625	-\$6,783			
Adjustments	\$4,174,730	\$344,975	\$14,136	\$11,254	\$0	\$0	\$0	\$2,859,400	\$6,682	\$83,329	\$677,360	\$34,932	\$0	\$120,370	\$22,293				
Net O&M Rev. Req.	\$1,650,578	\$287,245	\$40,831	\$32,505	\$0	\$8,600	\$144,515	\$657,038	\$0	\$596	\$7,434	\$306,522	\$100,901	\$0	\$0	\$64,392			

[1] This is a pass-through cost.

Table 5-3: Net Capital-Related Allocation

Line Item	Test Year	Ground Water		San Felipe				Stored & Acquired [1]		SBCWD				Power Charge		Finished		Recycled	
		Ag Only	M&I Only	Ag Only	M&I Only	SVCVWD	SLDMWA	SVCVWD	SBCWD	SBCWD Ag Only	SBCWD M&I Only	All	Sub9	Water	Water	Water	Water	Water	Water
WIIN Debt Service	\$225,662	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$182,786	\$42,876	\$0	\$0	\$0	\$0	\$0	\$0			
Citi National DS	\$463,117	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$336,812	\$126,305				
UAL Sterling	\$243,167	\$956	\$213	\$0	\$0	\$0	\$0	\$0	\$49,273	\$1,365	\$25,640	\$0	\$0	\$159,206	\$6,513				
RW Repayment	\$231,003	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$231,003				
Cash Funded Capital	\$3,370,131	\$13,256	\$2,958	\$0	\$0	\$0	\$0	\$0	\$682,890	\$18,923	\$355,349	\$0	\$0	\$2,206,489	\$90,265				
Reach 1 Major R&R	\$24,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Transfer to Water Reliability	\$1,532,631	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,532,631	\$0	\$0	\$0	\$0	\$0	\$0				
Revenue Offsets & Adjustments																			
Finished Water	-\$2,552,337	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$752,178	\$0	\$0	-\$1,800,159	\$0	\$0				
General Purpose Tax	-\$317,501	-\$8,792	-\$1,962	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$306,748				
Interest Income	-\$2,489,636	-\$9,793	-\$2,185	\$0	\$0	\$0	\$0	\$0	-\$504,475	-\$13,979	-\$262,509	\$0	\$0	-\$1,630,012	-\$66,682				
Adjustments	\$1,111,413	\$4,372	\$976	\$0	\$0	\$0	\$0	\$0	\$225,206	\$6,241	\$117,188	\$0	\$0	\$727,664	\$29,768				
Net Capital-Related Rev. Req.	\$1,842,210	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$635,680	\$835,878	\$235,668	\$0	\$0	\$0	\$110,424				

[1] This is a pass-through cost from USBR.

5.3. Unit Cost Derivation

The next step of the cost-of-service analysis is to calculate the unit cost. The unit cost is determined for each customer class based on the amount of demand projected for the test year (Table 4-2 and Table 4-3) and the net revenue requirements from Table 5-2 and Table 5-3. Table 5-4 shows the development of the unit costs. The bold unit rates shown in the last row of Table 5-4 are the FY 2026 costs-of-service based rates for each charge (or component of a charge). For example, the total Subsystem 9 power charge is the sum of the All power unit rate and the Subsystem 9 unit rate. The unit rates have been rounded to the nearest whole dollar.

Table 5-4: Unit Cost-of-Service, FY 2026

Line Item	Test Year	Groundwater			San Felipe					Power Charge		Recycled			
		All	Ag Only	M&I Only	Stored & Acquired [1]		SBCWD			All	Subsystem 9	Water	Power		
					COW/USBR	Semitropic	SLDMWA	SCVWD	SBCWD					Ag Only	M&I Only
Units, AF		21,110	16,310	4,800			12,039	12,039	12,039	7,710	4,329	11,889	1,518	420	420
Net O&M Rev. Req.	\$1,650,578	\$287,245	\$40,831	\$32,505	\$0	\$8,600	\$144,515	\$657,038	\$0	\$596	\$7,434	\$306,522	\$100,901	\$0	\$64,392
Net Capital-Related Rev. Req.	\$1,842,210	\$0	\$0	\$0	\$0	\$0	\$24,560	\$0	\$0	\$635,680	\$835,878	\$235,668	\$0	\$110,424	\$0
Total	\$3,492,788	\$287,245	\$40,831	\$32,505	\$0	\$8,600	\$144,515	\$681,598	\$0	\$636,276	\$843,312	\$542,190	\$100,901	\$110,424	\$64,392
Unit Cost, \$/AF		\$13.61	\$2.50	\$6.77			\$13.00	\$57.00		\$82.53	\$194.81	\$45.60	\$66.49	\$263.00	\$154.00
Total Unit Cost, \$/AF			\$17.00	\$21.00		\$2.00	\$13.00	\$57.00		\$83.00	\$195.00	\$46.00	\$113.00	\$263.00	\$154.00

[1] This is a pass-through cost.

6. Proposed Zone 6 Water and Power Rates

The test year unit costs-of-service presented in Table 5-4 are used to develop the proposed rate schedules shown in this section.

6.1. Agricultural Water Rates

The current and proposed agricultural water rates through FY 2028 are shown in Table 6-1. The March 1, 2026 Cost of Stored & Acquired Water is a direct pass-through of USBR rates. The other rate components (SLDMWA, SCVWD, and SBCWD) come from the unit rates shown in the last row of Table 5-4. All rate components for March 1, 2027 and March 1, 2028 are escalated in accordance with Table 4-11 and are rounded up to the nearest dollar.

Table 6-1: Current and Proposed Agricultural Rates, \$/AF

San Felipe: Agricultural	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$119.65	\$110.00	\$112.00	\$115.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$118.47	\$83.00	\$85.00	\$87.00
Total	\$306.00	\$263.00	\$270.00	\$278.00

San Felipe: Agricultural Full Cost (RRA Section 205(a)(3))	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$119.65	\$110.00	\$112.00	\$115.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$118.47	\$83.00	\$85.00	\$87.00
Total	\$306.00	\$263.00	\$270.00	\$278.00

San Felipe: Agricultural Full Cost (RRA Section 202(3))	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$119.65	\$110.00	\$112.00	\$115.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$118.47	\$83.00	\$85.00	\$87.00
Total	\$306.00	\$263.00	\$270.00	\$278.00

[1] Cost of Stored & Acquired Water for March 1, 2026 provided by SBCWD. Other years escalated.

This is a pass-through cost from USBR.

[2] Subject to pass-through if actual costs higher than projected.

Because the proposed agricultural water rates in Table 6-1 are limited to the proportional costs of providing agricultural water service, SBCWD's rate setting methodology satisfies applicable legal requirements.

6.2. M&I Water Rates

Current and proposed M&I rates for wholesale and retail customers are shown in Table 6-2. The March 1, 2026 Cost of Stored & Acquired Water is a direct pass-through of USBR rates plus semitropic costs. The other rate components (SLDMWA, SCVWD, and SBCWD) come from the unit rates shown in the last row of Table 5-4 for March 1, 2026. All rate components for March 1, 2027 and March 1, 2028 are escalated in accordance with Table 4-11 and are rounded up to the nearest dollar.

Table 6-2: Current and Proposed M&I Water Rates, \$/AF

San Felipe: Non-Agricultural (M&I) Wholesale	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$412.36	\$152.00	\$156.00	\$160.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$142.76	\$195.00	\$199.00	\$203.00
Total	\$623.00	\$417.00	\$428.00	\$439.00

San Felipe: Small Parcel Service, Non-Agricultural (M&I)	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$412.36	\$152.00	\$156.00	\$160.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$142.76	\$195.00	\$199.00	\$203.00
Total	\$623.00	\$417.00	\$428.00	\$439.00

[1] Cost of Stored & Acquired Water provided by SBCWD. This includes a pass-through of USBR costs.

[2] Subject to pass-through if actual costs higher than projected.

M&I customers are also subject to the water reliability charge. This charge is designed to recover costs associated with ADROp, which enhances water supply reliability for M&I customers.

Table 6-3: Proposed Water Supply-Reliability Charge, \$/AF

Water Reliability Charge [1]	Current	March 1, 2026	March 1, 2027	March 1, 2028
All M&I Customers	\$250.00	\$137.00	\$140.00	\$143.00

[1] Charge to cover reliability projects for the benefit of existing customers.

The total combined M&I rate, which includes the water reliability charge, is shown in Table 6-4.

Table 6-4: Total Proposed M&I Charge, \$/AF

Total Charge	Current	March 1, 2026	March 1, 2027	March 1, 2028
Total M&I	\$873.00	\$554.00	\$568.00	\$582.00

Because the proposed M&I water rates for wholesale and retail customers in Table 6-2 through Table 6-4 are limited to the proportional costs of providing M&I water service, SBCWD's rate setting methodology satisfies applicable legal requirements.

6.3. Groundwater Charges

Table 6-5 shows the current and proposed groundwater charges. The March 1, 2026 rate is the cost-of-service rate and the subsequent years are in accordance with Table 4-11. While the cost-of-service analysis shows a need for increased rates for March 1, 2026, the groundwater charge will remain unchanged until March 1, 2027. The Groundwater charge will be escalated on March 1, 2028 in accordance with Table 4-11 and are rounded up to the nearest dollar.

Table 6-5: Current and Proposed Groundwater Rates, \$/AF

Groundwater Charges (Well customers)	Current	March 1, 2026 COS	March 1, 2026 Proposed	March 1, 2027 Proposed	March 1, 2028 Proposed
Ag	\$14.30	\$17.00	\$14.30	\$18.00	\$19.00
M&I	\$14.30	\$21.00	\$14.30	\$22.00	\$23.00

Because the proposed groundwater charge in Table 6-5 is limited to the proportional cost of groundwater management within Zone 6, SBCWD's rate setting methodology satisfies applicable legal requirements.

6.4. Recycled Water Rates

Table 6-6 shows the current and proposed recycled water rates and power charges. The March 1, 2026 rates are the cost-of-service rate. The recycled water rate in subsequent years is escalated in accordance with Table 4-11 and are rounded up to the nearest dollar. The recycled water power rate in subsequent years is escalated at 3.5 percent per year consistent with the escalation used for utility-related costs. The recycled water power charge is subject to additional pass-through increases if actual costs are higher than projected.

Table 6-6: Current and Proposed Recycled Water and Power Rates, \$/AF

Recycled Water Rates	Current	March 1, 2026	March 1, 2027	March 1, 2028
Recycled Water	\$306.00	\$263.00	\$269.00	\$275.00
Power Charge*	\$108.30	\$154.00	\$160.00	\$166.00

* Subject to pass-through if actual costs higher than projected.

Because the proposed recycled water charge in Table 6-6 is limited to the proportional costs of providing recycled water service, SBCWD's rate setting methodology satisfies applicable legal requirements.

6.5. Power Charges

Table 6-7 shows the current and proposed power charges. The March 1, 2026 rates are the cost-of-service rates and the subsequent years are escalated at 3.5 percent per year consistent with the escalation used for utility-related costs, rounded up to the nearest whole dollar. If the pass-through portion of the power charges increases, these charges are subject to those pass-throughs.

Table 6-7: Current and Proposed Power Charges, \$/AF

Power Charge	Current	March 1, 2026	March 1, 2027	March 1, 2028
Subsystem 2*	\$43.10	\$46.00	\$48.00	\$50.00
Subsystem 6H*	\$43.10	\$46.00	\$48.00	\$50.00
Subsystem 9L*	\$100.70	\$113.00	\$117.00	\$122.00
Subsystem 9H*	\$100.70	\$113.00	\$117.00	\$122.00
All other subsystems*	\$43.10	\$46.00	\$48.00	\$50.00

* Subject to pass-through if actual costs higher than projected.

Because the proposed power charge in Table 6-7 is limited to the proportional costs of power associated with providing water service to particular portions of SBCWD's service area, SBCWD's rate setting methodology satisfies applicable legal requirements.

APPENDIX A:

Legal Requirements

This appendix summarizes the applicable legal requirements for the proposed changes to the rates and charges that are evaluated in the rate study prepared by Raftelis for San Benito County Water District (SBCWD).

A. Background on SBCWD's Rates and Charges

SBCWD is a County Water District organized pursuant to California Water Code Appendix, Chapter 70. SBCWD's boundaries include all of San Benito County. SBCWD's enabling act authorizes it to establish zones within its boundaries to import water for the benefit of those zones and to establish a groundwater charge for lands within zones that benefit from the recharge of underground water supplies or the distribution of imported water.

SBCWD established Zone 6, shown in Figure A-1, which receives imported water from the Central Valley Project (CVP) under SBCWD's contract with the United States Bureau of Reclamation (USBR). SBCWD has adopted water rates for its customers within Zone 6 that receive treated water directly from SBCWD for municipal purposes or raw water for agricultural purposes. Separately, SBCWD has imposed groundwater charges for the extraction of groundwater within Zone 6, with separate rates for agricultural and municipal uses. The rate study prepared by Raftelis proposes changes to the rates imposed on retail and wholesale water service customers within Zone 6 and its groundwater extraction charges, which are subject to the legal requirements identified below.

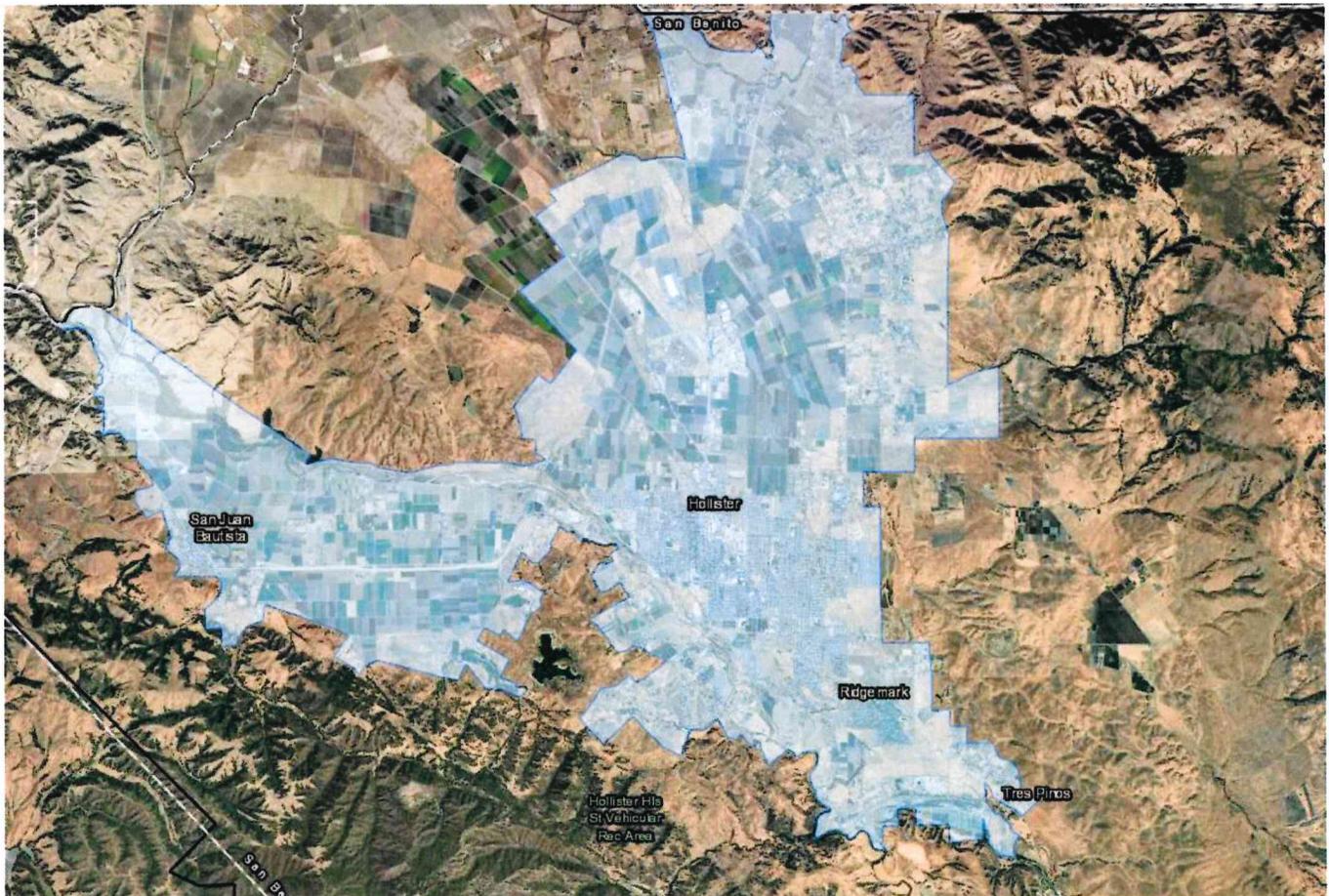


Figure A-1. Zone 6 of SBCWD.

B. Legal Requirements for Proposed Changes to Water Service Rates and Groundwater Extraction Charges

1. SBCWD's Enabling Act

Section 70-6 of SBCWD's enabling act authorizes it to import water and do any lawful act in furtherance of that purpose, which includes the imposition of water rates. Additionally, Section 70-7.1 of SBCWD's enabling act authorizes it to "levy and collect a ground water charge for the production of water from the ground water supplies within a zone or zones of the district which will benefit from the recharge of underground water supplies or the distribution of imported water in such zone or zones." Collectively, these legal authorities allow SBCWD impose the rates and charges on customers within Zone 6 that are evaluated in the rate study prepared by Raftelis.

2. Propositions 26 and 218

Propositions 26 and 218 create substantive requirements for the proposed changes to the rates and charges that are evaluated in the rate study. These substantive requirements are summarized below.

California Constitution Article XIID, added by Proposition 218, imposes certain substantive and procedural restrictions on assessments, fees, and charges "assessed by any agency upon any parcel of property or upon any person as an incident of property ownership." (Cal. Const., art. XIID, §3, subd.(a).) Among other things, article XIID instructs that the amount of a "fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel." (*Id.*, §6, subd. (b)(3).) Article XIID, Section 4 creates substantive and procedural requirements for qualifying "assessments" and Article XIID, Section 6 creates substantive and procedural requirements for qualifying "fees or charges." The provisions governing "fees or charges" apply to water rates for water service.

In 2010, voters passed Proposition 26, which broadened the definition of "tax" in California Constitution Article XIIC to include "any levy, charge, or exaction of any kind imposed by a local government." (Cal. Const., art. XIIC, §1, subd.(e).) The updated definition contains numerous exceptions for certain types of exactions, including for "property-related fees imposed in accordance with the provisions of Article XIII D" (*id.*, §1, subd.(e)(7)), as well as for charges for "a specific benefit conferred or privilege granted," or "a specific government service or product" that is provided, "directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government" (*id.*, §1, subd.(e)(1) & (2)). To fall within one of these exemptions, the amount of the charge may be "no more than necessary to cover the reasonable costs of the governmental activity," and "the manner in which those costs are allocated to a payor" must "bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity." (*Id.*, §1, subd. (e).)

Assessments, fees, or charges that do not meet the exceptions to the definition of "tax" in Article XIIC are subject to voter approval and other requirements. Property-related assessments or fees and charges that do not meet the substantive requirements in Article XIID, Sections 4 or 6 are a "tax" subject to voter approval. Similarly, assessments or fees and charges for a specific benefit conferred or service or product provided that "exceed the reasonable cost" or do not "bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity" are a "tax" subject to voter approval. The former set of assessments or fees and charges are subject to the

substantive and procedural requirements in Proposition 218, and the latter set are subject to substantive standards created by Proposition 26.

The rates and charges developed in this rate study were designed to comply with applicable requirements under the California Constitution, constitutional mandates as well as various provisions of the California law that support and add further guidance for implementing these constitutional requirements.

APPENDIX B:

**Capital Improvement
Program, Inflated**

Project Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Pumping System Evaluation and Rebuild Program	\$59,370	\$62,338	\$64,832	\$67,425	\$69,448	\$71,531	\$73,677	\$75,888	\$78,164	\$80,509	\$82,924
Lessalt Water Treatment Plant Asset Management Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,261,978	\$0
West Hills Water Treatment Plant Asset Management Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,271,560	\$0
Pacheco Pump Replacement Project	\$0	\$0	\$0	\$799,852	\$823,847	\$848,563	\$874,020	\$0	\$0	\$0	\$0
Lateral 4 Rehab Project	\$835,761	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lateral 5 Rehab Project	\$0	\$542,415	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lateral 6 Rehab Project	\$0	\$0	\$550,184	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lateral 7 Rehab Project	\$0	\$0	\$0	\$639,412	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lateral 9 Rehab Project	\$0	\$0	\$0	\$0	\$1,117,212	\$0	\$0	\$0	\$0	\$0	\$0
Lateral 10 Rehab Project	\$0	\$0	\$0	\$0	\$0	\$1,112,401	\$0	\$0	\$0	\$0	\$0
Lateral 11 Rehab Project	\$0	\$0	\$0	\$0	\$0	\$0	\$284,221	\$0	\$0	\$0	\$0
Santa Clara Valley WD - SBCWD Share	\$24,560	\$212,560	\$3,439,881	\$3,589,869	\$2,691,833	\$309,971	\$4,279,647	\$0	\$0	\$0	\$0
SLDM: Canal Subsidence Estimate	\$0	\$0	\$0	\$0	\$12,700,253	\$0	\$0	\$0	\$0	\$0	\$0
Special Shelf Angle Replacement	\$2,475,000	\$2,598,750	\$2,702,700	\$2,810,808	\$2,895,132	\$2,981,986	\$3,071,446	\$3,163,589	\$3,258,497	\$3,356,252	\$0
Reliability Project	\$51,594,979	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Growth Projects	\$1,155,000	\$2,280,019	\$2,258,756	\$2,349,106	\$2,419,580	\$20,680,352	\$21,300,762	\$21,939,785	\$245,044	\$252,396	\$11,958,501
Total Project Costs - Inflated	\$56,144,670	\$5,696,083	\$9,016,353	\$10,256,473	\$22,717,305	\$26,004,804	\$29,883,773	\$25,179,262	\$3,581,705	\$7,222,694	\$12,041,426

APPENDIX C:
O&M Expenses

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Cost of Water - pass through	\$2,319,651	\$1,515,951	\$1,535,149	\$1,554,994	\$1,575,484	\$1,592,190	\$1,610,834	\$1,629,571	\$1,649,138	\$1,669,259	\$1,690,119
Costs Associated with Santa Clara Valley WD											
San Felipe Reach 1 (SantaClara)	\$658,700	\$678,461	\$698,815	\$719,779	\$741,373	\$763,614	\$786,522	\$810,118	\$834,421	\$859,454	\$885,238
Total Santa Clara Valley WD	\$658,700	\$678,461	\$698,815	\$719,779	\$741,373	\$763,614	\$786,522	\$810,118	\$834,421	\$859,454	\$885,238
PW-CVP Facility O&M -SLDMWA	\$927,000	\$517,500	\$535,613	\$554,359	\$573,762	\$593,843	\$614,628	\$636,140	\$658,405	\$681,449	\$705,299
Direct Power & Other Power (Raw Water)											
600-5211-0000-513-07 PW-Direct Pumping - Ag	\$322,050	\$334,549	\$347,573	\$361,145	\$375,289	\$389,693	\$404,799	\$420,491	\$436,856	\$453,900	\$471,669
600-5251-0000-513-07 PW-Direct Pumping - M&I	\$113,300	\$117,697	\$122,279	\$127,054	\$132,030	\$137,098	\$142,412	\$147,932	\$153,690	\$159,686	\$165,937
Total Direct Power & Other Power	\$435,350	\$452,246	\$469,852	\$488,199	\$507,319	\$526,791	\$547,210	\$568,424	\$590,546	\$613,586	\$637,606
Contract Services											
Legal											
600-6210-0000-563-06 CS-Legal-GA	\$123,950	\$127,669	\$131,499	\$135,444	\$139,507	\$143,692	\$148,003	\$152,443	\$157,016	\$161,727	\$166,578
Engineering											
600-6220-0000-563-02 CS-Engineering-GA	\$112,000	\$115,360	\$118,821	\$122,385	\$126,057	\$129,839	\$133,734	\$137,746	\$141,878	\$146,135	\$150,519
600-6220-0145-541-02 CS-San Justo Reservoir Survey	\$20,000			\$15,983			\$17,466			\$19,085	
600-6220-0602-531-01 CS Engineering - Lessalt WT	\$75,000	\$77,250	\$79,568	\$81,955	\$84,413	\$86,946	\$89,554	\$92,241	\$95,008	\$97,858	\$100,794
Accounting - GA	\$64,850	\$66,796	\$68,799	\$70,863	\$72,989	\$75,179	\$77,434	\$79,757	\$82,150	\$84,615	\$87,153
General Consulting											
600-6240-0000-563-02 CS-General Consulting GA	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878
600-6240-0000-563-06 CS-General Consulting-GA	\$101,900	\$104,957	\$108,106	\$111,349	\$114,689	\$118,130	\$121,674	\$125,324	\$129,084	\$132,956	\$136,945
600-6240-0912-541-03 CS-GenCons Biological Opini	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262	\$3,360
Computer											
600-6260-0000-551-06 CS-Computer-CA	\$27,900	\$28,737	\$29,599	\$30,487	\$31,402	\$32,344	\$33,314	\$34,313	\$35,343	\$36,403	\$37,495
600-6260-0000-563-02 CS-Computer-GA	\$22,450	\$23,124	\$23,817	\$24,532	\$25,268	\$26,026	\$26,806	\$27,611	\$28,439	\$29,292	\$30,171
600-6260-0000-563-03 CS-Computer-GA	\$9,700	\$9,991	\$10,291	\$10,599	\$10,917	\$11,245	\$11,582	\$11,930	\$12,288	\$12,656	\$13,036
600-6260-0000-563-06 CS-Computer-GA	\$215,500	\$221,965	\$228,624	\$235,483	\$242,547	\$249,824	\$257,318	\$265,038	\$272,989	\$281,179	\$289,614
600-6260-0602-531-01 CS Computer - Lessalt WTP	\$27,600	\$28,428	\$29,281	\$30,159	\$31,064	\$31,996	\$32,956	\$33,945	\$34,963	\$36,012	\$37,092
600-6260-0603-531-01 CS Computer - West Hills WTP	\$40,300	\$41,509	\$42,754	\$44,037	\$45,358	\$46,719	\$48,120	\$49,564	\$51,051	\$52,582	\$54,160
Operations											
600-6270-0000-541-02 CS-Operations-TO	\$11,200	\$11,536	\$11,882	\$12,239	\$12,606	\$12,984	\$13,373	\$13,775	\$14,188	\$14,613	\$15,052
600-6270-0000-541-03 CS-Operations-TO	\$17,950	\$18,489	\$19,043	\$19,614	\$20,203	\$20,809	\$21,433	\$22,076	\$22,739	\$23,421	\$24,123
600-6270-0000-563-06 CS-Operations-GA	\$7,550	\$7,777	\$8,010	\$8,250	\$8,498	\$8,753	\$9,015	\$9,286	\$9,564	\$9,851	\$10,147
600-6270-0135-511-02 CS Ops-Water Quality Grwtr-SSO	\$20,700	\$21,321	\$21,961	\$22,619	\$23,298	\$23,997	\$24,717	\$25,458	\$26,222	\$27,009	\$27,819
600-6270-0138-511-08 CS-Ops-Water Conservation WRA-SSO	\$155,450	\$160,114	\$164,917	\$169,864	\$174,960	\$180,209	\$185,615	\$191,184	\$196,919	\$202,827	\$208,912
600-6270-0143-511-02 CS-Ops-Stream Flow Measurement-SSO	\$84,100	\$86,623	\$89,222	\$91,898	\$94,655	\$97,495	\$100,420	\$103,432	\$106,535	\$109,731	\$113,023
600-6270-0167-511-08 CS-Ops-Salt Management Plan-WRA-SSO	\$7,000	\$7,210	\$7,427	\$7,649	\$7,879	\$8,115	\$8,358	\$8,609	\$8,867	\$9,133	\$9,407
600-6270-0604-541-02 CS Operations Recycled Water Project	\$13,750	\$14,163	\$14,586	\$15,025	\$15,476	\$15,940	\$16,418	\$16,911	\$17,418	\$17,941	\$18,479
Operations- Treatment Plants											
600-6270-0602-531-01 CS-Operations - Lessalt WTP	\$1,492,500	\$1,537,275	\$1,583,393	\$1,630,895	\$1,679,822	\$1,730,217	\$1,782,123	\$1,835,587	\$1,890,654	\$1,947,374	\$2,005,795
600-6270-0603-531-01 CS-Operations - WHPT WTP	\$2,746,000	\$2,828,380	\$2,913,231	\$3,000,628	\$3,090,647	\$3,183,367	\$3,278,868	\$3,377,234	\$3,478,551	\$3,582,907	\$3,690,394
Maintenance											
600-6275-0000-522-02/03 CS Maintenance-PM	\$19,800	\$20,394	\$21,006	\$21,636	\$22,285	\$22,954	\$23,642	\$24,350	\$25,088	\$25,855	\$26,661
600-6275-0000-542-03 CS-Maintenance-TM	\$74,300	\$76,529	\$78,825	\$81,190	\$83,625	\$86,134	\$88,718	\$91,380	\$94,121	\$96,945	\$99,853
600-6275-0000-563-03 CS-Maintenance-GA	\$300	\$309	\$318	\$328	\$338	\$348	\$358	\$369	\$380	\$391	\$403
600-6275-0000-563-06 CS-Maintenance-GA	\$25,700	\$26,471	\$27,265	\$28,083	\$28,926	\$29,793	\$30,687	\$31,608	\$32,556	\$33,533	\$34,539
600-6275-0604-542-02 CS-Maintenance-Recycled Water	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619	\$33,598
600-6275-0915-551-03 CS Maintenance-Meter Repair-CA	\$12,500	\$12,875	\$13,261	\$13,659	\$14,069	\$14,491	\$14,926	\$15,373	\$15,835	\$16,310	\$16,799
600-6275-0916-551-03 CS Maintenance-Chemingation Valve Repair	\$4,700	\$4,841	\$4,986	\$5,136	\$5,290	\$5,449	\$5,612	\$5,780	\$5,954	\$6,132	\$6,316
600-6275-0920-542-03 CS Maintenance-TDM-Subsystem Breaks	\$73,900	\$76,117	\$78,401	\$80,753	\$83,175	\$85,670	\$88,240	\$90,888	\$93,614	\$96,423	\$99,315
600-6275-0939-542-02 CS- Maintenance-Blue Valve Paint Project	\$345,000										
Other - GA	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344
Program Consulting											
600-6291-0121-542-02 CS Prog-Hollister Conduit Corrosion-TM	\$34,000						\$39,415				\$45,693
600-6291-0190-563-08 CS Prog-USBR Water Mngmt Plan	\$37,550						\$43,531				\$50,464
600-6291-0195-563-08 CS Prog-Urban Water Mgmt Plan	\$38,604						\$44,752				\$51,880
600-6291-0209-563-06 CS-Programs-SLDMWA (CVP related activities)	\$57,000	\$58,710	\$60,471	\$62,285	\$64,154	\$66,079	\$68,061	\$70,103	\$72,206	\$74,372	\$76,603
600-6291-0216-563-02 CS Prog-Wtr Supply Master Plan Update-District	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619	\$33,598
Total Contract Services	\$6,194,204	\$5,890,622	\$6,067,340	\$6,265,344	\$6,436,841	\$6,757,645	\$6,846,310	\$7,033,710	\$7,244,721	\$7,481,148	\$7,833,963
General and Administrative											
Finance Charges	\$9,600	\$9,888	\$10,185	\$10,490	\$10,805	\$11,129	\$11,463	\$11,807	\$12,161	\$12,526	\$12,902
Dues and Fees											
All except RWP	\$148,250	\$152,698	\$157,278	\$161,997	\$166,857	\$171,862	\$177,018	\$182,329	\$187,799	\$193,433	\$199,236
600-6820-0602-562-01 Dues and Fees - Lessalt WTP	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786	\$10,079
600-6820-0603-562-01 Dues and Fees - West Hills WTP	\$110,500	\$113,382	\$117,233	\$121,075	\$124,937	\$128,810	\$132,704	\$136,628	\$140,581	\$144,564	\$148,586
Postage	\$13,800	\$14,214	\$14,640	\$15,080	\$15,532	\$15,998	\$16,478	\$16,972	\$17,481	\$18,006	\$18,546
Subscriptions/Publications	\$1,450	\$1,494	\$1,538	\$1,584	\$1,632	\$1,681	\$1,731	\$1,783	\$1,837	\$1,892	\$1,949
Office Supplies	\$12,750	\$13,133	\$13,526	\$13,932	\$14,350	\$14,781	\$15,224	\$15,681	\$16,151	\$16,636	\$17,135
Communications (600-6840-0000-562-06)	\$32,950	\$33,939	\$34,957	\$36,005	\$37,086	\$38,198	\$39,344	\$40,524	\$41,740	\$42,992	\$44,282
Communications TDO (600-6840-0000-541-06)	\$4,550	\$4,687	\$4,827	\$4,972	\$5,121	\$5,275	\$5,433	\$5,596	\$5,764	\$5,937	\$6,115
Communications - Lessalt WTP	\$8,400	\$8,652	\$8,912	\$9,179	\$9,454	\$9,738	\$10,030	\$10,331	\$10,641	\$10,960	\$11,289
Communications - West Hills WTP	\$11,700	\$12,051	\$12,413	\$12,785	\$13,168	\$13,564	\$13,970	\$14,390	\$14,821	\$15,266	\$15,724
General Business Expense	\$2,750	\$2,833	\$2,917	\$3,005	\$3,095	\$3,188	\$3,284	\$3,382	\$3,484	\$3,588	\$3,696
Travel and Mileage	\$52,300	\$53,869	\$55,485	\$57,150	\$58,864	\$60,630	\$62,449	\$64,322	\$66,252	\$68,240	\$70,287
Conferences	\$20,850	\$21,476	\$22,120	\$22,783	\$23,467	\$24,171	\$24,896	\$25,643	\$26,412	\$27,205	\$28,021
Advertising/Public Information											
600-6865-0000-562-06 Advertising/Public Info	\$12,600	\$12,978	\$13,367	\$13,768	\$14,181	\$14,607	\$15,045	\$15,496	\$15,961	\$16,440	\$16,933
600-6865-0604-562-06 Advertising/Public Info RWP	\$600	\$618	\$637	\$656	\$675	\$696	\$716	\$738	\$760	\$783	\$806
Insurance											
600-6871-0000-564-06 Insurance	\$89,250	\$91,928	\$94,685	\$97,526	\$100,452	\$103,465	\$106,569	\$109,766	\$113,059	\$116,451	\$119,945
600-6871-0602-564-01 Insurance-Lessalt TP	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572	\$20,159
600-6871-0603-564-01 Insurance-Westhills TP	\$23,250	\$23,948	\$24,666	\$25,406	\$26,168	\$26,953	\$27,762	\$28,595	\$29,452	\$30,336	\$31,246
Total General and Administrative	\$478,600	\$492,958	\$507,747	\$522,979	\$538,669	\$554,829	\$571,473	\$588,618	\$606,276	\$624,464	\$643,198
Materials and Equipment											

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
600-6321-0000-542-03 Supplies-Structure Equip TDM	\$30,220	\$31,127	\$32,060	\$33,022	\$34,013	\$35,033	\$36,084	\$37,167	\$38,282	\$39,430	\$40,613
Tools Purchase											
600-6330-0000-511-02 Tools Purchase-SSO	\$250	\$258	\$265	\$273	\$281	\$290	\$299	\$307	\$317	\$326	\$336
600-6330-0000-542-02 Tools Purchase-TM	\$750	\$773	\$796	\$820	\$844	\$869	\$896	\$922	\$950	\$979	\$1,008
600-6330-0000-542-03 Tools Purchase-TM	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720
600-6330-0000-562-06 Tools Purchase-GA	\$450	\$464	\$477	\$492	\$506	\$522	\$537	\$553	\$570	\$587	\$605
Equipment/Office Furn Purchase											
600-6440-0000-511-02 Equipment Purchase-SSO	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026	\$2,087	\$2,149	\$2,214	\$2,280	\$2,349	\$2,419
600-6440-0000-542-03 Equipment Purchase-TM	\$30,400	\$31,312	\$32,251	\$33,219	\$34,215	\$35,242	\$36,299	\$37,388	\$38,510	\$39,665	\$40,855
600-6440-0000-562-06 Office Furniture/Equip Purchase GA	\$9,600	\$9,888	\$10,185	\$10,490	\$10,805	\$11,129	\$11,463	\$11,807	\$12,161	\$12,526	\$12,902
600-6440-0602-532-01 Equipment Purchase-Lessalt Treatment Plant	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262	\$3,360
Tools and Equipment Rental											
600-6450-0000-542-03 Tool & Equipment Rental-TM	\$4,950	\$5,099	\$5,251	\$5,409	\$5,571	\$5,738	\$5,911	\$6,088	\$6,271	\$6,459	\$6,652
600-6450-0000-562-06 Tool & Equipment Rental GA	\$5,800	\$5,974	\$6,153	\$6,338	\$6,528	\$6,724	\$6,926	\$7,133	\$7,347	\$7,568	\$7,795
600-6450-0604-542-03 Tool & Equipment Rental -TM	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610	\$2,688
Meters											
600-6337-0604-551-03 Meters & Valves	\$14,000	\$14,420	\$14,853	\$15,298	\$15,757	\$16,230	\$16,717	\$17,218	\$17,735	\$18,267	\$18,815
600-6337-0915-551-03 Meters (New)-CA	\$246,300	\$253,689	\$261,300	\$269,139	\$277,213	\$285,529	\$294,095	\$302,918	\$312,005	\$321,366	\$331,007
600-6337-0916-551-03 Chemigation Valves- (New)-CA	\$91,100	\$93,833	\$96,648	\$99,547	\$102,534	\$105,610	\$108,778	\$112,042	\$115,403	\$118,865	\$122,431
Vehicle Maintenance	\$17,050	\$17,562	\$18,088	\$18,631	\$19,190	\$19,766	\$20,359	\$20,969	\$21,598	\$22,246	\$22,914
Vehicle Fuel	\$51,950	\$53,509	\$55,114	\$56,767	\$58,470	\$60,224	\$62,031	\$63,892	\$65,809	\$67,786	\$69,816
Equipment Maintenance - Heavy (600-6482-0000-562-03)	\$8,650	\$8,910	\$9,177	\$9,452	\$9,736	\$10,028	\$10,329	\$10,638	\$10,958	\$11,286	\$11,625
Equipment Maintenance - Small Tools (600-6483-0000-562-03)	\$1,100	\$1,133	\$1,167	\$1,202	\$1,238	\$1,275	\$1,313	\$1,353	\$1,393	\$1,435	\$1,478
Total Materials & Equipment	\$929,846	\$957,682	\$986,352	\$1,015,883	\$1,046,300	\$1,077,629	\$1,109,898	\$1,143,135	\$1,177,369	\$1,212,630	\$1,248,948
Utilities											
600-6860-0000-523-02/04 Utilities PO	\$142,500	\$148,030	\$153,793	\$159,799	\$166,057	\$172,431	\$179,114	\$186,258	\$193,299	\$200,841	\$208,703
600-6860-0000-541-02/04 Utilities-TO	\$72,200	\$75,002	\$77,922	\$80,965	\$84,136	\$87,365	\$90,751	\$94,269	\$97,938	\$101,759	\$105,743
600-6860-0000-542-03 Utilities-Disposal fees	\$4,500	\$4,675	\$4,857	\$5,046	\$5,244	\$5,445	\$5,656	\$5,876	\$6,104	\$6,342	\$6,591
600-6860-0000-562-02/04 Utilities	\$22,800	\$23,685	\$24,607	\$25,568	\$26,569	\$27,599	\$28,658	\$29,747	\$30,928	\$32,135	\$33,392
600-6860-0000-562-06 Utilities-GA	\$4,600	\$4,779	\$4,965	\$5,158	\$5,360	\$5,566	\$5,782	\$6,006	\$6,240	\$6,483	\$6,737
600-6860-0602-531/532-01 Utilities-WTP-Lessalt	\$230,000	\$238,926	\$248,228	\$257,921	\$268,022	\$278,309	\$289,097	\$300,304	\$311,992	\$324,164	\$336,854
600-6860-0603-531/532-01 Utilities-WTP-West Hills	\$265,000	\$275,284	\$286,002	\$297,170	\$308,808	\$320,661	\$333,090	\$346,003	\$359,469	\$373,493	\$388,114
600-6860-0604-541-02 Utilities - Recycled Water Pumping	\$49,000	\$50,902	\$52,883	\$54,948	\$57,100	\$59,292	\$61,590	\$63,978	\$66,468	\$69,061	\$71,765
Total Utilities	\$790,600	\$821,283	\$853,257	\$886,575	\$921,297	\$956,658	\$993,739	\$1,032,263	\$1,072,438	\$1,114,279	\$1,157,899
Wages and Employee Related Expenses											
Wages											
600-6110-0000-522-00 Wages-Supervision-PM	\$760	\$779	\$798	\$818	\$839	\$860	\$881	\$903	\$926	\$949	\$973
600-6110-0000-541-00 Wages-Supervision-TO	\$6,080	\$6,232	\$6,388	\$6,547	\$6,711	\$6,879	\$7,051	\$7,227	\$7,408	\$7,593	\$7,783
600-6110-0000-542-00 Wages-Supervision-TM	\$53,960	\$55,309	\$56,691	\$58,109	\$59,561	\$61,050	\$62,577	\$64,141	\$65,744	\$67,388	\$69,073
600-6110-0000-551-00 Wages-Supervision-CA	\$69,685	\$71,427	\$73,213	\$75,043	\$76,919	\$78,842	\$80,813	\$82,833	\$84,904	\$87,027	\$89,203
600-6111-0000-561-00 Wages-Manual-GA	\$739,650	\$758,142	\$777,095	\$796,523	\$816,436	\$836,847	\$857,768	\$879,212	\$901,192	\$923,722	\$946,815
600-6112-0000-561-00 Wages-Office-GA	\$357,283	\$366,215	\$375,371	\$384,755	\$394,374	\$404,233	\$414,339	\$424,698	\$435,315	\$446,198	\$457,353
600-6120-0000-511-00 Wages-Technical Services-SSO	\$48,066	\$49,267	\$50,499	\$51,761	\$53,055	\$54,382	\$55,741	\$57,135	\$58,563	\$60,027	\$61,528
600-6120-0000-521-00 Wages-Technical Services-PO	\$13,935	\$14,284	\$14,641	\$15,007	\$15,382	\$15,766	\$16,161	\$16,565	\$16,979	\$17,403	\$17,838
600-6120-0000-541-00 Wages-Technical Services-TO	\$23,225	\$23,806	\$24,401	\$25,011	\$25,637	\$26,277	\$26,934	\$27,608	\$28,298	\$29,005	\$29,730
600-6120-0000-542-00 Wages-Technical Services-TM	\$4,645	\$4,761	\$4,880	\$5,002	\$5,127	\$5,256	\$5,387	\$5,522	\$5,660	\$5,801	\$5,946
600-6120-0604-541-00 Wages-RWP Technical Services-TO	\$3,550	\$3,639	\$3,730	\$3,823	\$3,919	\$4,016	\$4,117	\$4,220	\$4,325	\$4,433	\$4,544
600-6130-0000-511-00 Wages-Operations-SSO	\$48,108	\$49,310	\$50,543	\$51,807	\$53,102	\$54,429	\$55,790	\$57,185	\$58,614	\$60,080	\$61,582
600-6130-0000-521-00 Wages-Operations-PO	\$39,366	\$40,350	\$41,359	\$42,392	\$43,452	\$44,539	\$45,652	\$46,793	\$47,963	\$49,167	\$50,391
600-6130-0000-541-00 Wages-Operations-TO	\$67,803	\$69,498	\$71,235	\$73,016	\$74,842	\$76,713	\$78,630	\$80,596	\$82,611	\$84,676	\$86,793
600-6130-0602-532-00 Wages-Maintenance	\$467	\$479	\$491	\$503	\$516	\$529	\$542	\$556	\$569	\$584	\$598
600-6130-0603-532-00 Wages-Maintenance	\$251	\$257	\$264	\$270	\$277	\$284	\$291	\$298	\$306	\$313	\$321
600-6130-0604-541-00 Wages-RWP Operations-TO	\$6,948	\$7,122	\$7,300	\$7,483	\$7,670	\$7,861	\$8,058	\$8,259	\$8,466	\$8,677	\$8,894
600-6140-0000-522-00 Wages-Maintenance-PM	\$2,667	\$2,734	\$2,802	\$2,872	\$2,944	\$3,018	\$3,093	\$3,171	\$3,250	\$3,331	\$3,414
600-6140-0000-542-00 Wages-Maintenance-TO	\$334,951	\$343,325	\$351,908	\$360,706	\$369,724	\$378,967	\$388,441	\$398,152	\$408,106	\$418,308	\$428,766
600-6140-0000-561-00 Wages-Maintenance-GA	\$369,227	\$378,457	\$387,919	\$397,617	\$407,557	\$417,746	\$428,190	\$438,894	\$449,867	\$461,113	\$472,641
600-6140-0604-542-00 Wages-RWP Maintenance-TM	\$14,843	\$15,214	\$15,594	\$15,984	\$16,384	\$16,793	\$17,213	\$17,643	\$18,084	\$18,537	\$19,002
600-6150-0000-551-00 Wages Meter Reading-CA	\$27,515	\$28,203	\$28,900	\$29,613	\$30,371	\$31,131	\$31,909	\$32,707	\$33,524	\$34,363	\$35,222
600-6150-0604-551-00 Wages-RWP Meter Reading-CA	\$1,645	\$1,687	\$1,729	\$1,772	\$1,816	\$1,862	\$1,908	\$1,956	\$2,005	\$2,055	\$2,106
600-6160-0000-551-00 Wages Billing and Account Maint -CA	\$226,080	\$231,732	\$237,525	\$243,463	\$249,550	\$255,788	\$262,183	\$268,738	\$275,456	\$282,342	\$289,401
600-6160-0604-551-00 Wages RWP Billing and Account Maint -CA	\$41	\$42	\$43	\$44	\$45	\$46	\$47	\$49	\$50	\$51	\$52
600-6170-0000-561-00 Wages-Directors Fee-GA	\$16,332	\$16,740	\$17,159	\$17,588	\$18,027	\$18,478	\$18,940	\$19,413	\$19,899	\$20,396	\$20,906
600-6180-0000-561-00 Wages-General/Other-GA	\$144,293	\$147,901	\$151,598	\$155,388	\$159,273	\$163,255	\$167,338	\$171,519	\$175,807	\$180,203	\$184,708
600-6181-0000-561-00 Wages-Special Projects	\$53,598	\$54,938	\$56,312	\$57,719	\$59,162	\$60,642	\$62,158	\$63,711	\$65,304	\$66,937	\$68,610
600-6181-0214-561-00 SP-Wages IRWMP Implementation Grant	\$299	\$306	\$314	\$322	\$330	\$338	\$347	\$355	\$364	\$373	\$383
600-6181-0222-561-00 SP- Pacheco Reserv Exp	\$1,494	\$1,532	\$1,570	\$1,609	\$1,649	\$1,691	\$1,733	\$1,776	\$1,821	\$1,866	\$1,913
600-6181-0601-561-00 Wages - Treatment Plant (default)	\$22,334	\$22,892	\$23,464	\$24,051	\$24,652	\$25,268	\$25,900	\$26,548	\$27,211	\$27,892	\$28,589
600-6181-0927-561-00 SP-Hwy 156 bypass Caltrans work	\$103	\$105	\$108	\$111	\$114	\$116	\$119	\$122	\$125	\$129	\$132
600-6181-0929-561-00 SP-SCADA telemetry upgrade	\$478	\$490	\$502	\$515	\$528	\$541	\$554	\$568	\$582	\$597	\$612
600-6181-0939-561-00 SP-Blue Valve Paint Project	\$169	\$173	\$178	\$182	\$187	\$191	\$196	\$201	\$206	\$211	\$217
600-6181-0942-561-00 SP-Union Bridge Replacement	\$847	\$868	\$890	\$912	\$935	\$958	\$982	\$1,007	\$1,032	\$1,058	\$1,084
600-6181-0944-561-00 SP-Slipline Pipe Replacement	\$458	\$469	\$481	\$493	\$505	\$518	\$531	\$544	\$558	\$572	\$586
600-6181-A129-561-00 SP-ADRoP-Accelerated Drought Response Project	\$96,289	\$98,696	\$101,163	\$103,692	\$106,285	\$108,942	\$111,665	\$114,454	\$117,318	\$120,251	\$123,258
600-6181-B129-561-00 SP Wages - B.F. Sisk Dam Raise	\$35,707	\$36,600	\$37,515	\$38,453	\$39,414	\$40,399	\$41,409	\$42,445	\$43,506	\$44,593	\$45,708
600-6191-0500-565-00 Retirement - GASB68 related expense	\$185,338	\$196,458	\$208,246	\$220,744	\$233,985	\$248,024	\$262,906	\$278,680	\$295,401	\$313,125	\$331,912
600-6191-0500-565-00 Retirement - GASB68 related expense	\$273,969	\$290,407	\$307,832	\$326,302	\$345,880	\$366,632	\$388,630	\$411,948	\$436,665	\$462,865	\$490,637
Medicare/SUI	\$69,514	\$73,685	\$78,106	\$82,792	\$87,760	\$93,025	\$98,607	\$104,523	\$110,795	\$117,442	\$124,489

APPENDIX D:

Summary of Reserve Funds

Reserve Fund	Purpose
Undesignated	To provide funds which may be used for emergencies and to pay costs necessary for the establishment of a zone within the District.
Operations	The reserves designated for operating contingencies are established to provide for unforeseen needs, revenue shortfalls, and emergency appropriations during the year.
Reserved for Capital Improvements	Established by board action(s) to fund future capital improvement projects. The purpose of this designation is to accumulate funds for specific projects or utility purpose to provide all or a portion of the cost.
Reserved for Self-Insurance	Established by board policy to fund the contingent liability for the District's self-insured portion of vehicle coverage.
Reserved for Capital Asset Replacement	This designation is to accrue funding for asset purchase and replacement in the period of use. Through this funding reservation, monies are set aside for planned future asset expenditures within specified categories. In addition, this reserve provides a funding source for unanticipated asset needs, mitigates the impact of large budget expenditures, and assists with asset management and long range planning.
Reserve for Other Post-Employment Benefits (OPEB) Trust	To provide restricted funds for retiree future medical payments.
Water Supply Revolving Reserve	To provide additional source of funds for Zone 6 water supply augmentation through local or imported water purchases.
Future Water Supply Project	To provide funds for the pre-construction (planning and design) phase of the project.
San Felipe-Hollister Conduit Reserve	To meet unforeseen extraordinary costs and emergencies.
San Felipe-Reach 1 Reserve	To meet operations and maintenance costs incurred during period of special stress and extraordinary repair or replacement costs associate with Reach 1.
USBR Contract Repayment and Rate Management Reserve	Funds to pay for San Felipe Division costs, including existing foreseeable and unforeseeable costs that may result from catastrophic failure of San Felipe Division facilities. Funds from this restricted reserve are to be used for USBR Amendatory Contract Repayment . This USBR Contract Repayment and Rate Management Reserve is intended to provide funds to make interest and principal payments on the Amendatory contract in an effort to minimize the impact of the repayment schedule on water rates and taxes.
Reach 1 Major Repair and Replacement Reserve	To provide funds for major repair and replacement associated with Reach 1.
Reserved for Water Treatment Plants-Asset Replacement Reserve	To provide funds for capital replacement of assets of the Water Supply and Treatment Program, and funds so expended will be replaced through subsequent contributions.

APPENDIX E:

O&M Allocation, Test Year

Wages and Employee Related Expenses	Ground		Semi-tropic		San Felipe		SBCWD		Power Charge		Finished Water		Recycled Water		Per Direct Assignment		
	All	Ag Only	M&O Only	CO/W/USBR	O&M	San Felipe	SBCWD	Ag Only	M&O Only	All	Subsystem 3	Water	Power	Water	Power	O&M - excluding USBR, FW & RW Pwr	Wages - Maintenance
600-6110-0000-522-00 Wages-Supervision-PM																	
600-6110-0000-541-00 Wages-Supervision-TO																	
600-6110-0000-542-00 Wages-Supervision-TM																	
600-6110-0000-551-00 Wages-Supervision-CA	20.2%																100.0%
600-6111-0000-561-00 Wages-Managerial-GA																	100.0%
600-6112-0000-561-00 Wages-Office-GA																	100.0%
600-6120-0000-511-00 Wages-Technical Services-SSO																	
600-6120-0000-521-00 Wages-Technical Services-PO																	
600-6120-0000-541-00 Wages-Technical Services-TO																	
600-6120-0000-542-00 Wages-Technical Services-TM																	
600-6120-0000-541-00 Wages-RWP Technical Services-TO																	
600-6130-0000-511-00 Wages-Operations-SSO	100.0%																
600-6130-0000-521-00 Wages-Operations-PO																	
600-6130-0000-541-00 Wages-Operations-TO																	
600-6130-0000-532-00 Wages-Operations-TM																	
600-6130-0603-532-00 Wages-Maintenance																	
600-6130-0604-541-00 Wages-RWP Operations-TO																	
600-6130-0000-522-00 Wages-Maintenance-PM																	
600-6140-0000-542-00 Wages-Maintenance-TM																	
600-6140-0000-561-00 Wages-Maintenance-GA																	
600-6140-0604-542-00 Wages-RWP Maintenance-TM																	
600-6150-0000-551-00 Wages-Meter Reading-CA																	
600-6150-0604-551-00 Wages-RWP Meter Reading-CA																	
600-6160-0000-551-00 Wages Billing and Account Maint - CA																	
600-6160-0604-551-00 Wages RWP Billing and Account Maint - CA																	
600-6170-0000-561-00 Wages-Directors Fee-GA																	
600-6180-0000-561-00 Wages-General/Other-GA																	
600-6181-0000-561-00 Wages-Special Projects																	
600-6181-0214-561-00 SP-Wages IRWMP Implementation Grant																	
600-6181-0222-561-00 SP- Pacheco Resery Exp																	
600-6181-0601-561-00 Wages - Treatment Plant (default)																	
600-6181-0927-561-00 SP-Hwy 156 bypass Caltrans work																	
600-6181-0929-561-00 SP-SCADA telemetry upgrade																	
600-6181-0939-561-00 SP-Blue Valve Paint Project																	
600-6181-0942-561-00 SP-Union Bridge Replacement																	
600-6181-0944-561-00 SP-Slipline Pipe Replacement																	
600-6181-1129-561-00 SP-ADROP Accelerated Drought Response Project																	
600-6181-3129-561-00 SP-Wages - B.F. Sisk Dam Raise																	
Retirement																	
600-6191-0500-565-00 Retirement - GASB68 related expense																	
Medicare/SUI																	
Worker's Compensation																	
Employee Insurance																	
Training																	
Physical Exams and Drug Testing																	
Personal Equipment and Uniforms																	
Other																	
600-6198-0000-565-00 OFEB Expense																	
Total Wages and Employee Related Expenses																	
USBR Mandatory Contract																	
Irr principal																	
Total USBR Mandatory Contract																	
Semi-tropic O&M																	
Total O&M Expenses																	
Reallocation Bases for Indirect Costs																	
Directly Assigned O&M - excluding USBR, FW, & RW pwr																	
Directly Assigned Wages																	
Directly Assigned Maintenance																	
Reallocation of Indirect Costs																	
per Directly Assigned O&M - excluding USBR, FW, & RW pwr																	
per Directly Assigned Wages																	
per Directly Assigned Maintenance																	
Total O&M Expenses - Redistributed																	
Allocation of all O&M																	

[1] This is a pass-through cost

APPENDIX F:

**Net Plant Investment Allocation,
Test Year**

Description	Ending Balance		Ground Water		San Felipe						Power Charge	Finished Water	Recycled Water			
	June 30, 2025		All	Ag Only	M&I Only	Stored & Acquired	SLDIMWA	SCVWD	SBCWD	SBCWD Ag Only				SBCWD M&I Only		
Source of Supply	\$374,943			82%	18%											
Pumping	\$10,271,242													20%		
Transmission Distribution System	\$20,285,658													20%		
Transmission Distribution System - RW	\$2,087,259														100%	
Treatment Plant	\$44,910,862															
Total Directly Assigned	\$77,929,964		\$0	\$306,538	\$68,405	\$0	\$0	\$0	\$0	\$0	\$0	\$15,790,951	\$437,575	\$8,216,993	\$51,022,242	\$2,087,259
General Plant Allocation [1]	\$1,725,739		0.0%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.3%	0.6%	10.5%	65.5%	2.7%
Total Net Plant Investment	\$79,655,704		\$0	\$6,788	\$1,515	\$0	\$0	\$0	\$0	\$0	\$0	\$349,687	\$9,690	\$181,963	\$1,129,875	\$46,222
Total Net Plant Investment Allocation			\$0	\$313,326	\$69,920	\$0	\$0	\$0	\$0	\$0	\$0	\$16,140,638	\$447,265	\$8,398,957	\$52,152,117	\$2,133,481
			0.0%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.3%	0.6%	10.5%	65.5%	2.7%

[1] General Plant is allocated like the sum of directly assigned.

San Benito County Water District

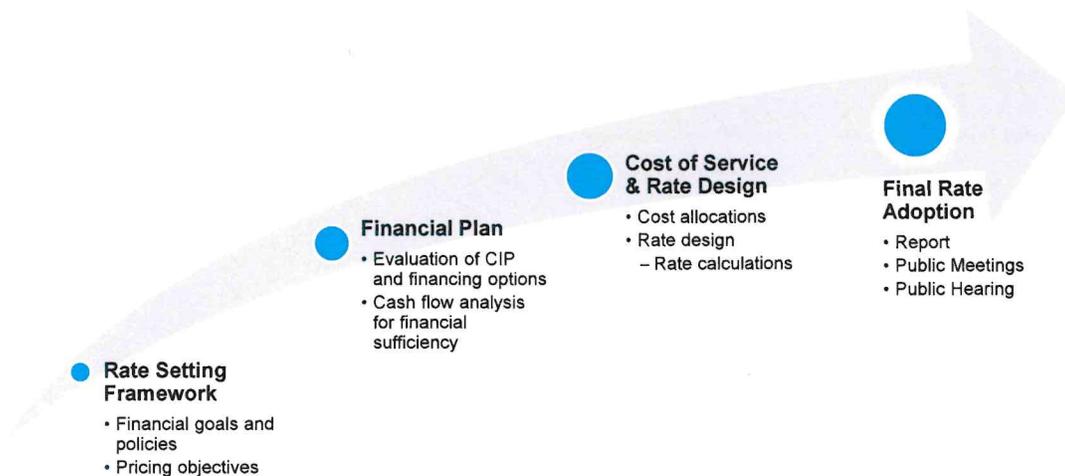
Zone 6 Water Rate Study

February 25, 2026



1

Rate Study at a Glance



2

2

Schedule

Activity	Date
Kickoff Meeting	August 27, 2025
Meetings with Staff	August 2025 – November 2025
Board Meeting*	November 19, 2025
Board Meeting*	January 5, 2026
Final Report	January 6, 2026
Public Hearing	February 25, 2026

* For more information, Board documents are on the District's website.

3

3

Factors Considered in Rate Study

-  Inflationary assumptions
-  Growth and demand
-  O&M budget
-  Capital improvement plan
-  Debt and equity financing

4

4

Proposed Water & Power Rates



5

San Felipe Distribution: Agricultural Rates, \$/AF

Rates are rounded up to the nearest whole dollar.

San Felipe: Agricultural	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$119.65	\$110.00	\$112.00	\$115.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$118.47	\$83.00	\$85.00	\$87.00
Total	\$306.00	\$263.00	\$270.00	\$278.00

San Felipe: Agricultural	Current	March 1, 2026	March 1, 2027	March 1, 2028
Full Cost (RRA Section 205(a)(3))				
Cost of Stored & Acquired Water [1]	\$119.65	\$110.00	\$112.00	\$115.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$118.47	\$83.00	\$85.00	\$87.00
Total	\$306.00	\$263.00	\$270.00	\$278.00

San Felipe: Agricultural	Current	March 1, 2026	March 1, 2027	March 1, 2028
Full Cost (RRA Section 202(3))				
Cost of Stored & Acquired Water [1]	\$119.65	\$110.00	\$112.00	\$115.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$118.47	\$83.00	\$85.00	\$87.00
Total	\$306.00	\$263.00	\$270.00	\$278.00

[1] Cost of Stored & Acquired Water for March 1, 2026 provided by SBCWD. Other years escalated.

This is a pass-through cost from USBR.

[2] Subject to pass-through if actual costs higher than projected.

6

San Felipe Distribution: M&I Rates, \$/AF

Rates are rounded up to the nearest whole dollar.

San Felipe: Non-Agricultural (M&I) Wholesale	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$412.36	\$152.00	\$156.00	\$160.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$142.76	\$195.00	\$199.00	\$203.00
Total	\$623.00	\$417.00	\$428.00	\$439.00

San Felipe: Small Parcel Service, Non-Agricultural (M&I)	Current	March 1, 2026	March 1, 2027	March 1, 2028
Cost of Stored & Acquired Water [1]	\$412.36	\$152.00	\$156.00	\$160.00
SLDMWA [2]	\$11.97	\$13.00	\$14.00	\$15.00
SCVWD [2]	\$55.91	\$57.00	\$59.00	\$61.00
SBCWD	\$142.76	\$195.00	\$199.00	\$203.00
Total	\$623.00	\$417.00	\$428.00	\$439.00

[1] Cost of Stored & Acquired Water provided by SBCWD. This includes a pass-through of USBR costs.

[2] Subject to pass-through if actual costs higher than projected.

Water Reliability Charge [1]	Current	March 1, 2026	March 1, 2027	March 1, 2028
All M&I Customers	\$250.00	\$137.00	\$140.00	\$143.00

[1] Charge to cover reliability projects for the benefit of existing customers.

Total Charge	Current	March 1, 2026	March 1, 2027	March 1, 2028
Total M&I	\$873.00	\$554.00	\$568.00	\$582.00

7

7

Recycled Water, \$/AF

Recycled Water Rates	Current	March 1, 2026	March 1, 2027	March 1, 2028
Recycled Water	\$306.00	\$263.00	\$269.00	\$275.00
Power Charge*	\$108.30	\$154.00	\$160.00	\$166.00

* Subject to pass-through if actual costs higher than projected.

Rates are rounded up to the nearest whole dollar.

8

8

Power Charges, \$/AF

Power Charge	Current	March 1, 2026	March 1, 2027	March 1, 2028
Subsystem 2*	\$43.10	\$46.00	\$48.00	\$50.00
Subsystem 6H*	\$43.10	\$46.00	\$48.00	\$50.00
Subsystem 9L*	\$100.70	\$113.00	\$117.00	\$122.00
Subsystem 9H*	\$100.70	\$113.00	\$117.00	\$122.00
All other subsystems*	\$43.10	\$46.00	\$48.00	\$50.00

* Subject to pass-through if actual costs higher than projected.

- Power charges escalate at 3.5% per year in 2027 and 2028, consistent with utility inflation assumption.
- Rates are rounded up to the nearest whole dollar.

9



Thank you!

Contact:

Theresa Jurotich
206-707-9155 / tjurotich@raftelis.com

10

**San Benito County Water District
Agenda Transmittal**

Agenda Item:

8

Meeting Date: February 25, 2026

Submitted By: Dana Jacobson

Presented By: Dana Jacobson

Agenda Title: Consider Resolution Establishing Temporary Rules and Regulations for the Recycled Water Project

Detailed Description:

The City of Hollister's Water Reclamation Facility (WRF) is not currently able to produce recycled water meeting Title 22 standards, and it is unclear when this issue will be resolved. In response, District staff has sought approval from the Regional Water Quality Control Board (RWQCB) and the Department of Drinking Water (DDW) to provide raw "Blue Valve" water to recycled water customers as an alternative supply. On February 5, 2026, RWQCB approved the delivery of raw water to recycled water customers on a short-term basis provided an appropriate backflow prevention device was installed. District maintenance staff are in the process of procuring and installing the requested device and anticipate being able to deliver raw water through the recycled water distribution system during the upcoming irrigation season.

District staff anticipate having sufficient raw imported water available to serve the recycled water customers in the 2026-27 water year. However, to minimize any potential impacts to existing agricultural customers, and to ensure equity with respect to operating costs, the following temporary rules and regulations are recommended.

Availability of Replacement Raw Water:

- The District shall be solely responsible for determining if sufficient imported water is available to serve Recycled Water customers in any given year.
- Recycled Water customers will be second priority to existing raw water agricultural customers.
- The District reserves the right to cease the delivery of raw water to Recycled Water customers if it determines there will be an operational impact to existing customers.
- Recycled Water customers will be required to schedule the delivery of raw water in a manner that maintains adequate system pressures.
- Recycled Water customers will receive a District allocation of raw water in the same manner as other existing agricultural customers (1.2 acre-feet per acre).
- Recycled Water customers will not be able to transfer raw water to parcels outside of the Recycled Water distribution system.

Cost of Service

- The price for raw water will be the applicable San Felipe agricultural water rate.
- The power charge will be the applicable San Felipe power rate for Subsystem 7.
- The current \$700 per meter annual fee for Recycled Water customers will continue to apply. Any amount of raw water purchased will be credited against this fee.
- The Recycled Water customers will be required to pay the Zone 6 Stand-by Fee of \$6/acre.

While this recommended action is needed on a short-term basis while the City of Hollister can perform the necessary maintenance on the WRF, the District is likely to need the flexibility to deliver raw water to recycled water customers in the future. Since the recycled water facilities were installed there has been a significant reduction in the amount of raw agricultural water delivered annually. This reduction far exceeds the typical demands of the recycled water customers. It is therefore likely that the District could continue to provide raw water to these customers in most years, which would be a benefit to the County because it would result in additional high-quality water being delivered and a reduction in groundwater pumping.

Over the past few years, the reliability of the recycled water has deteriorated and there have been numerous interruptions in service. The ability to deliver raw water would result in continued water service for District customers and limit crop losses that might result from these interruptions. Additionally, the cost of treatment has increased significantly and is no longer competitive with raw water purchase costs. If sufficient imported water exists in future years, it would be financially advantageous for the District to continue to provide raw water to recycled water customers.

Prior Committee or Board Action:

February 23, 2026 Recycled Water Committee Meeting

Financial Impact: X Yes No

Delivering raw water to recycled water customers will likely result in a reduction in overall costs to the District. Currently, the rate for recycled water is set equal to the rate for San Felipe agricultural water. Last year's cost of treatment for recycled water was approximately \$660/acre-foot, whereas the cost of purchasing imported water from USBR is approximately \$100/acre-foot. The proposed rules and regulations would still require the payment of the \$700 per service fee, which is intended to pay for the debt associated with constructing the recycled water facilities thereby ensuring that these customers bear the burden of this capital investment. The District would also generate approximately \$5,700 per year with the application of the Zone 6 Stand-by charge in an area that doesn't currently pay this fee.

Funding Source/ Recap: N/A

Materials included:

1. Draft Resolution

Recommendation: Staff and the Committee recommend to the Board to adopt a resolution establishing temporary rules and regulations for the recycled water project.

Action Required: Resolution Motion Review

Board Action

Resolution No. _____ Motion By _____ Second By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

RESOLUTION NO. 2026-08

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN BENITO COUNTY WATER DISTRICT
ESTABLISHING TEMPORARY RULES AND REGULATIONS FOR THE RECYCLED
WATER PROJECT**

WHEREAS, On October 20, 2014, the San Benito County Water District (District) executed the Agreement Between the City of Hollister (City) and the San Benito County Water District for the Use of Recycled Water from the City Water Reclamation Facility (WRF); and

WHEREAS, the District and the City subsequently developed a comprehensive Water Recycling Program, including but not limited to the construction of treatment facilities and distribution pipelines.

WHEREAS, on April 1, 2015, the District adopted Ordinance 56 Establishing Rules and Regulations for the Recycled Water Project; and

WHEREAS, the District was able to serve Recycled Water for agricultural irrigation and improve water supply reliability in the County by reducing demand for imported surface water; and

WHEREAS, in recent years the quality of Recycled Water being produced at the WRF has been inconsistent and the cost of treatment has increased significantly; and

WHEREAS, the WRF has experienced intermittent interruptions in the production of Recycled Water due to maintenance issues; and

WHEREAS, the District's demand for imported water for agricultural purposes has decreased and as a result the District often has surplus imported water that goes unused; and

WHEREAS, the WRF is currently unable to produce Recycled Water that meets Title 22 standards and it is unclear when water quality will be improved; and

WHEREAS, the District desires to provide continued water service to its Recycled Water customers using raw imported water as a replacement for Recycled Water on a temporary basis; and

WHEREAS, the District desires to establish temporary rules and regulations for its Recycled Water customers during periods when raw surface water is delivered instead of Recycled Water.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Benito County Water District adopts the following temporary rules and regulations for the delivery of raw imported surface water to Recycled Water customers:

Availability of Replacement Raw Water:

- The District shall be solely responsible for determining if sufficient imported water is available to serve Recycled Water customers in any given year.
- Recycled Water customers will be second priority to existing raw water agricultural customers.
- The District reserves the right to cease the delivery of raw water to Recycled Water customers if it determines there will be an operational impact to existing customers.
- Recycled Water customers will be required to schedule the delivery of raw water in a manner that maintains adequate system pressures.
- Recycled Water customers will receive a District allocation of raw water in the same manner as other existing agricultural customers (Maximum of 1.2 acre-feet per acre at 100% allocation).
- Recycled Water customers will not be able to transfer raw water to parcels outside of the Recycled Water distribution system.

Cost of Service

- The price for raw water will be the applicable San Felipe agricultural water rate.
- The power charge will be the applicable San Felipe power rate for Subsystem 7.
- The current \$700 per meter annual fee for Recycled Water customers will continue to apply. Any amount of raw water purchased will be credited against this fee.
- The Recycled Water customers will be required to pay the Zone 6 Standby-by Fee of \$6/acre.

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

PASSED AND ADOPTED by the Board of Directors of the San Benito County Water District this 25th Day of February, 2026, by the following vote:

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

(Signature of presiding Board member
Attested by Board Secretary
Resolution # 2026-08)

Mark Wright
President

ATTEST: _____
Barbara Mauro
Board Secretary

**San Benito County Water District
Agenda Transmittal**

Agenda Item:

9

Meeting Date: February 25, 2026

Submitted By: Dana Jacobson

Presented By: Dana Jacobson

Agenda Title: Staff Report on District's 2026 Customer Water Allocations

Detailed Description:

The San Benito County Water District (District) typically provides notification of the amount of water available to each customer class in early March of each year. However, it is unclear when the District will receive formal notification from the U.S. Bureau of Reclamation (USBR) on its 2026-27 imported water allocations from the Central Valley Project (CVP). This creates some uncertainty with respect to what the District can commit to for its customer allocations until the USBR makes its announcement.

CVP reservoirs began the water year with above-average storage conditions. However, statewide hydrologic conditions have been variable, with alternating periods of heavy rain and snow followed by extended dry conditions. It is common for the USBR to be conservative with its initial allocations in years such as this, but Staff does anticipate that the USBR will provide an initial allocation of between 15% and 25% for the agricultural allocation.

Table 1 (attached) presents a range of reasonable District allocations depending on the CVP allocations, and options for the use of available water supplies. The District is entering into the 2026-27 water year in a good position, with full storage in San Justo Reservoir and maximum carryover amounts in San Luis Reservoir. Staff anticipates that a full allocation to municipal and industrial customers is possible in all scenarios. If the CVP agricultural allocation is at least 20% staff anticipates that the District could offer between 40% and 55% of customer requests (estimated to be 22,500 acre-feet), depending on the desired levels of refill in San Justo Reservoir while also considering percolation and rescheduling water in San Luis Reservoir.

Prior Committee or Board Action:

February 23, 2026 Zone 6 Water Supply and Operations Committee Meeting

Financial Impact: _____ Yes No

Funding Source/ Recap: N/A

Materials included:

- 1. Table of Potential Allocations

Recommendation:

Staff is asking for the Board to provide direction to staff regarding the District's 2026 customer water allocations.

Action Required: ___ Resolution _____ Motion _____ Review

Board Action

Resolution No. _____ Motion By _____ Second By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Table 1. Range of Potential District Allocations

		CVP Allocations													
		10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%
Contract Max - Ag (AF)	34,553	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%
Historic Use - M&I (AF)	9,247	60%	65%	70%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
		District Blue Valve Allocations													
Requests (AF)	22,500	35%	40%	45%	50%	55%	60%	65%	70%	75%					
2026 Supply	CVP Ag	3,455	5,183	6,911	8,638	10,366	12,094	13,821	15,549	17,277					
	CVP M&I	5,548	6,011	6,473	6,935	6,935	6,935	6,935	6,935	6,935					
	SLR Rescheduled	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380					
	San Justo Storage	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300					
	<i>total supply</i>	23,684	25,874	28,064	30,254	31,981	33,709	35,436	37,164	38,892					
2026 Uses	Losses	2,368	2,587	2,806	3,025	3,198	3,371	3,544	3,716	3,889					
	District Ag Allocation	7,875	9,000	10,125	11,250	12,375	12,375	12,375	12,375	12,375					
	District M&I Allocation	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000					
	San Justo Carryover - Ag	2,000	2,000	2,000	2,000	3,000	4,000	5,000	5,150	5,150					
	San Justo Carryover - M&I	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150					
<i>total uses</i>	22,393	23,737	25,081	26,425	28,723	29,896	31,069	31,391	31,564						
Options	SLR Rescheduled														
	Percolation	1,290	2,136	2,982	3,828	3,258	3,813	4,368	5,773	7,328					
	Additional Ag Allocation														
	San Justo Carryover														



Agenda

Item

10

No materials



Agenda

Item

11

[View this email in your browser](#)



REGISTER HERE: 2026 Spring Membership Summit

Registration is now open for the 2026 Spring ACWA JPIA Membership Summit, taking place May 4-5, 2026 at the Sheraton Grand Sacramento Hotel.

This annual event will include committee meetings, educational sessions, Board of Directors Meeting (Monday afternoon), and the California Water Insurance Fund (CWIF) Election.

Location

Sheraton Grand Sacramento Hotel
1230 J St., Sacramento, CA 95814

Monday, May 4	Tuesday, May 5
Check-in, Hot Breakfast 7:30 AM	Wellness Breakfast 7:30 AM
Membership Summit Kick Off	Educational Presentations COMING SOON
Liability Committee Meeting	Sexual Harassment Prevention Training
Educational Presentation COMING SOON	Leadership Essentials Program Alumni Mixer
Ask ACWA JPIA Anything	<ul style="list-style-type: none"> • Monday: Check-in at 7:30 AM, Summit begins at 8:00 AM • Tuesday: Starts at 7:30 AM, educational sessions begin at 8:30 AM • Stay tuned for more summit details!
Lunch	
Board Meeting Registration	
Board of Directors Meeting	
ACWA JPIA Board Reception	



Agenda

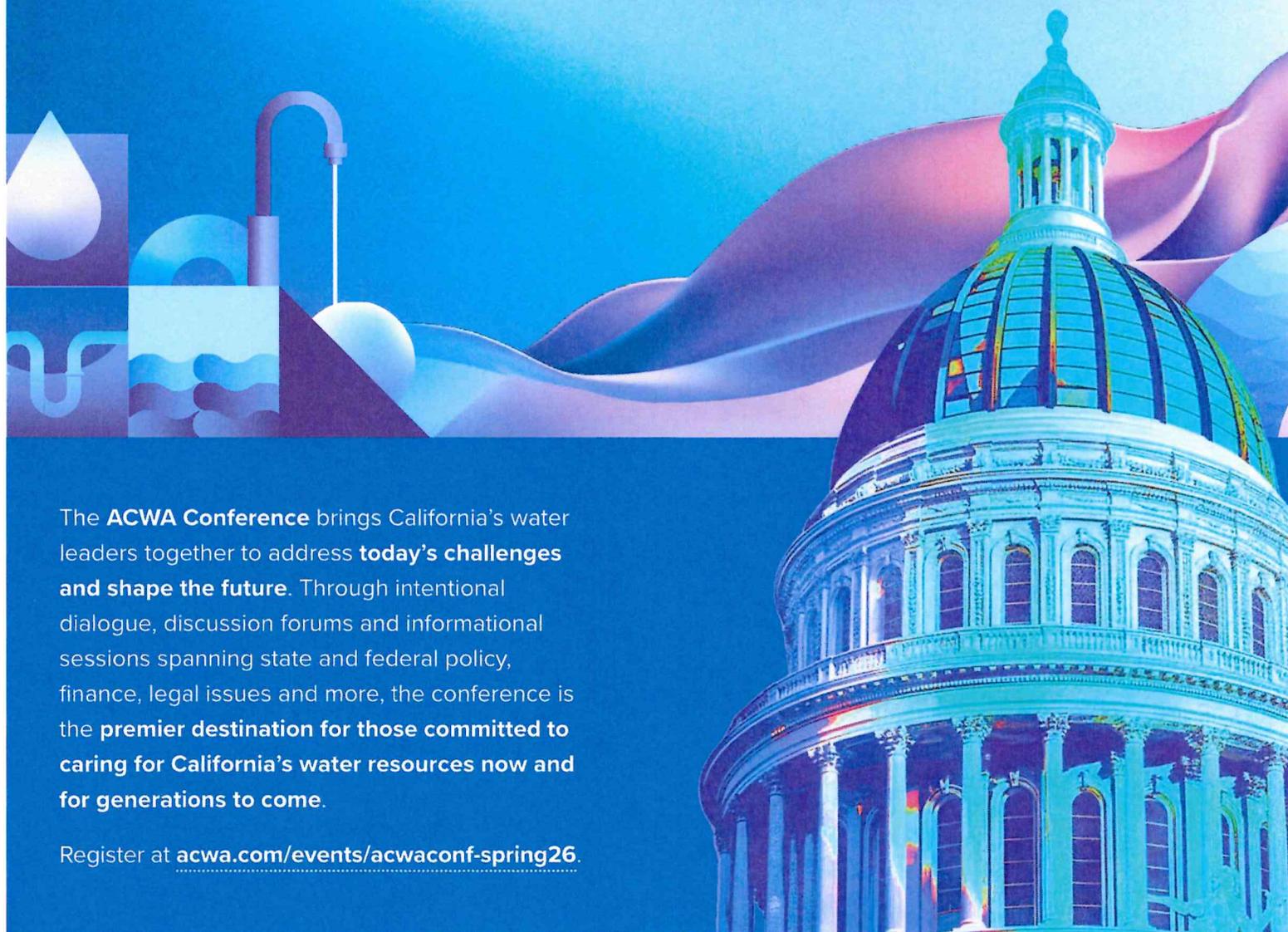
Item

12



'26 Spring Conference

May 5 – 7, 2026
Sacramento, CA



The **ACWA Conference** brings California's water leaders together to address **today's challenges and shape the future**. Through intentional dialogue, discussion forums and informational sessions spanning state and federal policy, finance, legal issues and more, the conference is the **premier destination for those committed to caring for California's water resources now and for generations to come**.

Register at acwa.com/events/acwaconf-spring26.

Register for ACWA Conference

ADVANTAGE	By April 3	After April 3	STANDARD	By April 3	After April 3
Full Registration <i>Buy 5 and receive 1 free*</i>	\$999	\$1,099	Full Registration <i>Buy 5 and receive 1 free*</i>	\$1,475	\$1,575
One-Day: Tues / Thurs	\$495	\$595	One-Day: Tues / Thurs	\$775	\$875
One-Day: Wed	\$595	\$695	One-Day: Wed	\$885	\$985

For full pricing details, visit the ACWA website. *Cannot combine with other discounted registrations.

Advantage rate - Special pricing for our Public Agency Members, Affiliates & Associates.

Standard rate - Open to all water professionals and interested attendees.

Preliminary Agenda At-A-Glance

Day 1 | Tuesday

 *May qualify for continuing education credits.*

- 9:30 AM **Committee Meeting & Education Session** 
Groundwater Committee
- 10:45 AM **Committee Meetings**
Energy Committee | Water Management Committee
- 11:45 AM **Networking Lunch**
- 11:45 AM **Taskforce Meetings**
Outreach Taskforce | Headwater Taskforce
- 1:00 PM **Committee Meetings & Education Session** 
Agriculture Committee | Local Government Committee
- 2:15 PM **Committee Meetings & Education Session** 
Water Quality Committee | Communications Committee | Finance Committee
- 3:30 PM **Committee Meetings**
Legal Affairs Committee | Federal Affairs Committee | Membership Committee
- 4:00 PM **New Member Mixer**
- 4:15 PM **Spotlight Session in the Exhibit Hall**
- 5:00 PM **Welcome Reception in the Exhibit Hall**

Day 2 | Wednesday

- 7:30 AM **Continental Breakfast**
- 8:30 AM **Welcome Keynote & Opening Address**
- 10:30 AM **Program**  **& Spotlight Sessions**
- 11:45 AM **Networking Lunch**
- 1:30 PM **Water Talk**
- 2:30 PM **Program Sessions** 
- 3:45 PM **Region Meetings**
- 3:00 PM **Spotlight Sessions**
- 5:00 PM **Networking Reception in the Exhibit Hall**

Day 3 | Thursday

- 7:30 AM **Continental Breakfast**
- 8:30 AM **Grand Prize Drawing in the Exhibit Hall**
- 9:00 AM **Program Sessions** 
- 10:30 AM **Closing Keynote & Awards Presentation**
- 12:00 PM **Lunch & Learn Program Sessions**

Hotel Information

Hyatt Regency

1209 L St., Sacramento

Room Rate: \$249/night +
taxes & fees

Sheraton Grand

1230 J St., Sacramento

Room Rate: \$234/night +
taxes & fees

Note: *Conference registration is required to book at the ACWA group rate. A reservation link will be provided in your registration confirmation email.*

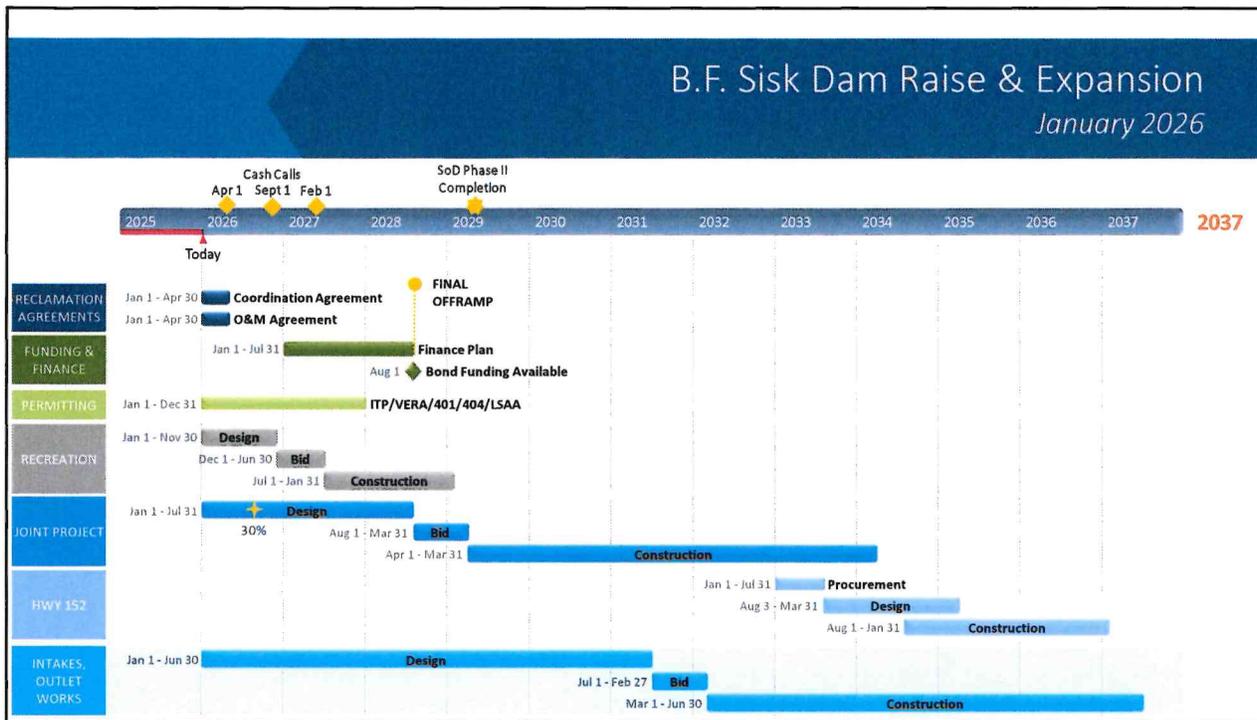
Visit acwa.com/events/acwaconf-spring26 for full agenda and to register.



Agenda

Item

15 (g)



1

B.F. Sisk Preliminary Investor Cash Call Option 1

Agency	Revised Requested Storage Capacity (AF) ¹	Requested Storage Capacity Allocation	Total Project Funding Needed Through FY27 ³	Participating Agency Payments July 2023	Participating Agency Payments October 2025	FY26 Payment 2 Apr 1, 2026	FY27 Payment 1 ⁴ Sep 1, 2026	FY27 Payment 2 ⁴ Feb 1, 2027
Byron Bethany Irrigation District (CVPSA)	1,059	1.16%	\$ 145,936	\$ 26,750	\$ 15,223	\$ 15,223	\$ 44,528	\$ 44,528
City of Tracy	5,297	5.82%	\$ 732,194	\$ 133,751	\$ 76,607	\$ 76,607	\$ 222,634	\$ 222,634
Del Puerto Water District	3,867	4.25%	\$ 534,678	\$ 97,638	\$ 55,957	\$ 55,957	\$ 162,523	\$ 162,523
San Benito County Water District	5,297	5.82%	\$ 732,194	\$ 133,751	\$ 76,607	\$ 76,607	\$ 222,634	\$ 222,634
Santa Clara Valley Water District	63,560	69.85%	\$ 8,787,588	\$ 1,605,015	\$ 919,524	\$ 919,524	\$ 2,671,618	\$ 2,671,618
Westlands Water District/Broadview WD	11,921	13.10%	\$ 1,648,066	\$ 133,751	\$ 256,082	\$ 256,082	\$ 501,063	\$ 501,063
Total	91,000	100.00%	\$ 12,580,656	\$ 2,130,656	\$ 1,400,000	\$ 1,400,000	\$ 3,825,000	\$ 3,825,000

¹ Pacheco Water District prior interest of 600 AF has been allocated pro rata.
² San Luis Water District prior interest of 4,527 AF has been allocated pro rata.
³ Includes a reconciliation of all changes in commitments and allocations to date.
⁴ Does not contemplate FY28 cash calls.

HALLMARK GROUP Capital Program Management

2

B.F. Sisk Contributed Funds Overview

Entity	Actual	Reporting Period <small>(Beginning March 2021)</small>
Reclamation	\$5,150,018	Through December 2025
Authority	\$6,534,101	Through December 2025

Current Cost Share: Authority costs-to-date account for 55.9% of total spend, and Reclamation costs-to-date account for 44.1% of total spend.


HALLMARK GROUP Capital Program Management

3

Next Steps



- Consider Delivery Options for Dam
- Present Temporary Bridge to Caltrans
- Review Intake Conceptual Design Options
- Engage CDFW re: ITP Requirements
- Continue Mitigation Identification
- Implementation of SR152 2:1 Design


HALLMARK GROUP Capital Program Management

4