



Sunnyslope County Water District

BOARD OF DIRECTORS

SPECIAL MEETING

District Office Board Room/Teleconference



3570 Airline Hwy., Hollister, CA

NOTICE & AGENDA

DECEMBER 13, 2022

Regularly Scheduled Board Meeting - 5:15PM

Closed Session to Precede the Regular Session – 4:30PM

IN PERSON PUBLIC ACCESS TO DISTRICT MEETINGS IS AVAILABLE AND REMOTE ACCESS CAN BE OBTAINED THROUGH THE FOLLOWING ACCESS POINTS:

ZOOM MEETING ACCESS LINK

<https://us06web.zoom.us/j/89028286111?pwd=a1diNzBjc3BRYWdjSUtsZGZpU2gyOT09>

Passcode: SSCWD

Or Telephone: Dial + 1 (669) 444-9171 and when prompted enter Meeting ID: 890 2828 6111

Dial in Passcode: 866864

HEALTH AND SAFETY GUIDELINES

Public access to this meeting is provided both in person and through electronic viewing. Virtual meeting access will continue to be provided as a public convenience until further notice by the District Board. Remote viewing interruptions due to internet quality, power outages or other factors may occur and will not stop the meeting while a quorum is present in the Board Room; To ensure the health, safety, and welfare of those in attendance, all attendees must comply with any procedures/instructions announced by the Board of Directors or as directed by Staff prior to commencement of the meeting. Face coverings will be provided if health concerns dictate and will be made available upon request. The meeting will be available through Zoom for those who wish to join remotely. Anyone requiring accommodations may contact the Main Office at: (831) 637-4670 a minimum of 24 hrs prior to the start of the meeting.

Mission Statement:

“Our Mission is to provide safe, reliable, and high-quality water and wastewater services to our customers and all future generations in an environmentally and financially responsible manner.”

A. CALL TO ORDER - ROLL CALL

President Brown _____, Vice-President Mauro _____,

Director Parker _____, Director Alcorn _____, and Director Buzzetta _____.

- B. PUBLIC COMMENT ON CLOSED SESSION MATTERS** – Members of the public may address the Board on the item or items listed on the Closed Session agenda, with a time limit of three minutes per speaker.

CLOSED SESSION @ 4:30PM

C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS:

1. Conference with Legal Counsel – Pending Litigation (§ 54956.9):

1. *County of San Benito vs. SSCWD*, San Benito County Superior Court Case No. CU-20-00068, StatusUpdate.

2. Public Employee Performance Review (§ 54957) – Title: General Manager

REGULAR SESSION

D. PLEDGE OF ALLEGIANCE

E. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION

1. December 8, 2023 Special Meeting – Board of Directors
2. December 19, 2023, Regular Meeting – Board of Directors

- F. APPROVAL OF AGENDA** – Any requests to postpone consideration of an agenda item or move an item forward on the agenda will be considered at this time.

- G. PUBLIC COMMENTS and AUDIENCE INTRODUCTIONS** – The public may comment¹ on any District business, not on the agenda, with a time limit of three minutes per speaker. To make a public comment in person please fill out a “Speaker Card” and return to the Minutes Clerk prior to speaking. When virtual meeting access is provided, please use the

“hand-raise” feature and you will be called upon to speak. No action may be taken by the Board during the public comment period.

H. CONSENT AGENDA – Members of the Board and/or members of the public may pull matters from the Consent Agenda. Any matter pulled from the Consent Agenda requiring action shall be moved to New Business and treated as a matter of new business, or for matters needing clarification shall be moved to Staff Reports and addressed by the respective staff. The public may address the Board² on these items, not to exceed 3 minutes, when the Board reviews each pulled item.

1. Approve Minutes of the Regular Board Meeting
 - October 17, 2023 (page 1)
 - November 21, 2023 (page 9)
2. Receive and Accept Allowance of Claims for Disbursements from November 1, 2023 Through November 30, 2023. (page 16)
3. Receive and Accept Associate Engineer Monthly Status Report – (November Report not Available)
4. Receive and Accept Finance Manager Monthly Status Reports:
 - a) Narrative Report (page 19)
 - b) Operation Summary (page 26)
 - c) Statement of Income (page 29)
 - d) Investment Summary (page 31)
 - e) Board Designated Reserves (page 32)
5. Receive and Accept Superintendent Monthly Status Reports:
 - a) Maintenance (page 33)
 - b) City Meter Reading (page 39)
 - c) Groundwater Level Measurement (page 40)
6. Receive and Accept General Manager Monthly Status Report. (page 41)
7. Receive the ACWA/JPIA President’s Special Recognition Award for Continuing to Maintain a Safe and Healthy Workplace. (Not a Project Under CEQA per Article 20, Section 15378) (page 42)

I. NEW BUSINESS – The Board will review and discuss agenda items and take action or direct staff to return to the Board for action at a following meeting. The public may address the Board² on these items as the Board reviews each item when directed to do so.

1. Take Appropriate Action To Elect A President And Vice-President Of The Board Of Directors, And President To Assign Director Duties To Standing District Committees For 2024. (Not A Project Under CEQA Per Article 20, Section 15378) (page 45)
2. Board Will Review The 2024 Calendar And Modify The Meeting Schedule For The Coming Year As Needed Beginning With Regularly Schedule Board Meetings To Be Scheduled On The 3rd Tuesday Of The Month. Board Will Approve By Motion All Changes To The Calendar. (Not A Project Under CEQA Per Article 20, Section 15378)
(No Staff Report Included)
3. Consider Accepting The San Benito Urban Areas Water Supply And Treatment Master Plan Update, Previously Referred To As The Water Supply Master Plan Update, As A Water Supply Plan Update Of The Hollister Urban Area Water & Wastewater Master Plan Prepared On Behalf Of The San Benito County Water District, City Of Hollister, And Sunnyslope County Water District. (page 46)

J. STATUS REPORT

1. Governance Committee (JP, MA) – (No Meeting)
2. Water / Wastewater Committee (JP, MA) – (No Meeting)
3. Finance Committee (JB, MA) – (No Meeting)
4. Policy and Procedure Committee (DB, EM)– (No Meeting)
5. Personnel Committee (JB, EM) – (No Meeting)
6. Water Resources Association of San Benito County (JP, Alt. MA) – (Meeting Held December 7th)

K. BOARD and STAFF REPORTS

1. Directors
2. District Counsel
3. General Manager – General Manager Report (Oral Report)

L. FUTURE AGENDA ITEMS

1. Willow Landing Development Agreement
2. Fairview Corners Development Agreement
3. Gavilan College Development Agreement

M. ADJOURNMENT

Upon request, Sunnyslope County Water District (SSCWD) will make a reasonable effort to provide written agenda materials in appropriate alternative formats, languages or disability-related modification or accommodation, including auxiliary aids or services, to enable all individuals to participate in public meetings. SSCWD will also make a reasonable effort to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service as soon as possible in advance of the meeting.

Next Regular Board Meeting – TBD, 2024 @ 5:15 p.m., District Office

AGENDA DEADLINE: TBD, 2024 @ 12:00 p.m.

Future Scheduled Committee Meetings

Water Resources Association of San Benito County – February 2nd, 2024 @ 4pm

¹ The person speaking is requested to fill out a speaker card stating items on which they wish to comment to be properly recognized during communications from the public and address comments to the Board of Directors. A limit of three (3) minutes per speaker is requested to allow others an opportunity to comment. Board members may ask questions of the speaker, but no action may be taken, and no discussion may be held on non-agenized items raised by the public. The General Manager may refer the matter to the proper personnel for review.

² The person speaking is requested to fill out a speaker card stating their name, address, and items on which they wish to comment to be properly recognized during communications from the public and address comments to the Board of Directors. Please limit your comment to three (3) minutes. Please step up to and speak at the podium.

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
October 17th, 2023

A. CALL TO ORDER: The meeting was called to order at 5:15 p.m. by President Brown, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

ROLL CALL: Present in Person: President Dee Brown (DB), Vice President Edward Mauro (EM), Director Jerry Buzzetta (JB), Director James Parker (JP), Director Mike Alcorn (MA).

B. PLEDGE OF ALLEGIANCE: Director Parker led those in attendance in the Pledge of Allegiance.

C. APPROVAL OF AGENDA: Upon a motion made to approve the agenda by Director Alcorn, seconded by Director Mauro, for which President Brown then took a roll call vote as follows: (JB), yes; (EM), yes; (JP), yes; (MA), yes; (DB), yes; the motion carried 5-0.

D. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION

No additional report was required.

E. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS: The Board welcomed members of the public and opened the meeting to public comments regarding matters not itemized on the agenda. No comments were received.

Staff Present for Open Session: In Person: General Manager/Secretary Drew Lander, Executive Assistant/Stenographer Madison Koester, Water/ Wastewater Superintendent Jose Rodriguez, Finance and HR Manager Barry Kelly, O&M Crew Chief Dee J. Burbank.

F. CONSENT AGENDA:

Director Buzetta requested item F-4, Finance Manager's Monthly Status Report be moved for discussion as an additional new business item. President Brown renumbered F-4 as item G-6 to be discussed as new business. President Brown asked for public comment and upon receiving none, President Brown requested a motion to approve the consent agenda. Upon a motion made by Director Parker to approve the Consent Agenda with Director Buzzetta's request, seconded by Director Mauro, for which President Brown then took a roll call vote as follows: (MA), yes; (JP), yes; (EM), yes; (JB) yes; and (DB) yes; the motion carried 5-0.

1. Approval of Minutes of the Regular Board Meeting of September 19th, 2023
2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of September 1, 2023 through September 30, 2023, totaling \$2,629,787.76 which includes \$861,594.75 for payments to vendors, \$259,624.55 for Payroll, \$423,633.84 paid to the City of Hollister for collection of City sewer billings (net of our fees), and \$815.18 for customer refunds.

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
09/05/2023	ACH2684	Sterling Administration Health	\$58.26
09/05/2023	ACH2685	Sterling Administration Health	\$200.00
09/05/2023	ACH2686	Principal	\$3,405.97
09/06/2023	51653	A-1 Services	\$403.00

09/06/2023	51654	ACC Business	\$1,323.29
09/06/2023	51655	Ace Hardware (Johnson Lumber Co.)	\$81.40
09/06/2023	51656	Adan Cervantes	\$70.75
09/06/2023	51657	Atlas Copco Compressors LLC	\$1,532.41
09/06/2023	51658	B.S.K. Associates	\$1,410.00
09/06/2023	51659	Badger Meter, Inc.	\$455.98
09/06/2023	51660	Bracco's Towing	\$731.25
09/06/2023	51661	Brenntag Pacific, Inc.	\$30,736.01
09/06/2023	51662	Brigantino Irrigation	\$239.25
09/06/2023	51663	Calgon Carbon Corporation	\$71,697.79
09/06/2023	51664	Central Ag Supply LLC	\$2,595.99
09/06/2023	51665	CM Analytical, Inc.	\$13,037.50
09/06/2023	51666	CWSRF Accounting Office	\$759,974.56
09/06/2023	51667	DKF Solutions Group, LLC	\$4,860.00
09/06/2023	51668	Frisch Engineering Inc.	\$645.00
09/06/2023	51669	Iconix Waterworks (US) Inc.	\$1,262.70
09/06/2023	51670	Mc Kinnon Lumber Co., Inc.	\$76.42
09/06/2023	51671	Mission Uniform Service	\$842.68
09/06/2023	51672	Recology San Benito County	\$342.91
09/06/2023	51673	RJR Recycling	\$1,000.00
09/06/2023	51674	San Benito County Water District	\$470.75
09/06/2023	51675	San Benito County Water District	\$323,674.13
09/06/2023	51677	Simplot Grower Solutions	\$1,409.40
09/06/2023	51678	Star Concrete	\$626.55
09/06/2023	51679	State Water Resources Control Board-DWOC	\$90.00
09/06/2023	51680	Trans Union LLC	\$219.10
09/06/2023	51681	USA Blue Book	\$35.27
09/06/2023	51682	Veolia Water Technologies	\$7,243.72
09/06/2023	51683	Wright Bros. Indust. Supply	\$28.09
09/06/2023	51684	Wright Bros. Welding & Sheet Metal, Inc.	\$32.77
09/06/2023	51685	MARC V THEBERGE	\$195.59
09/07/2023	ACH2687	P G & E	\$31,609.43
09/07/2023	JN00506	Net Pay	\$67,419.36
09/07/2023	JN00506	Total Tax	\$17,587.09
09/08/2023	ACH2688	CalPERS - Retirement	\$23.08
09/08/2023	ACH2689	CalPERS - Retirement	\$7,961.60
09/08/2023	ACH2690	CalPERS - Retirement	\$8,587.41
09/08/2023	ACH2691	Nationwide Retirements Solutions	\$9,156.61
09/08/2023	ACH2692	iCloud	\$11,459.10
09/11/2023	ACH2693	Sterling Administration Health	\$35.00
09/13/2023	ACH2694	Sterling Administration Health	\$887.90
09/13/2023	ACH2695	Colonial Life	\$1,898.96
09/14/2023	ACH2696	Sterling Administration Health	\$134.00
09/15/2023	ACH2697	ADP	\$2,221.35
09/18/2023	ACH2698	Sterling Administration Health	\$50.00
09/18/2023	ACH2699	Sterling Administration Health	\$150.00
09/20/2023	ACH2700	Sterling Administration Health	\$150.00
09/21/2023	51711	CHERI LOPES	\$6.00
09/21/2023	51712	SOFIA HERNANDEZ & LOURDES A ALDANA	\$193.74
09/21/2023	51713	MANZO CONSTRUCTION,	\$32.54
09/21/2023	JN00507	Net Pay	\$72,479.79
09/21/2023	JN00507	Total Tax	\$18,663.28
09/22/2023	51690	Ace Hardware (Johnson Lumber Co.)	\$217.25

09/22/2023	51691	Anne Muraski	\$6,000.00
09/22/2023	51692	Atlas Copco Compressors LLC	\$1,055.82
09/22/2023	51693	Bianchi Kasavan & Pope, LLP	\$35.00
09/22/2023	51694	Brenntag Pacific, Inc.	\$16,162.87
09/22/2023	51695	Brigantino Irrigation	\$50.17
09/22/2023	51696	Calcon System, Inc.	\$2,035.81
09/22/2023	51697	City of Hollister-Finance Dept	\$423,633.84
09/22/2023	51698	De Lay & Laredo	\$3,916.50
09/22/2023	51699	Eva Green Power	\$465,142.69
09/22/2023	51700	Extreme Air, Inc.	\$465.00
09/22/2023	51701	First Trust Alarm Company	\$753.00
09/22/2023	51702	Foster & Foster, Inc.	\$3,600.00
09/22/2023	51703	Mid Valley Supply	\$615.43
09/22/2023	51704	Petty Cash	\$90.00
09/22/2023	51705	Rain for Rent	\$5,921.89
09/22/2023	51706	Toro Petroleum Corp.	\$3,138.25
09/22/2023	51707	True Value Hardware	\$173.22
09/22/2023	51708	U.S. Bank Corporate Payment Systems	\$5,622.55
09/22/2023	51710	UWUA Local 820	\$784.72
09/25/2023	51714	Ace Hardware (Johnson Lumber Co.)	\$442.67
09/25/2023	51715	Atlas Copco Compressors LLC	\$1,055.82
09/25/2023	51715	Atlas Copco Compressors LLC Reversal	-\$1,055.82
09/25/2023	51716	Brenntag Pacific, Inc.	\$65,110.34
09/25/2023	51717	Brigantino Irrigation	\$223.44
09/25/2023	51718	Calcon System, Inc.	\$3,954.82
09/25/2023	51719	Calgon Carbon Corporation	\$71,697.79
09/25/2023	51720	Greenwood Chevrolet	\$1,055.23
09/25/2023	51721	Hach Company	\$756.67
09/25/2023	51722	Hollister Auto Parts, Inc.	\$91.55
09/25/2023	51723	Iconix Waterworks (US) Inc.	\$1,122.09
09/25/2023	51724	J M Electric	\$1,306.50
09/25/2023	51725	Mc Crometer, Inc.	\$371.30
09/25/2023	51726	Mc Master-Carr	\$119.15
09/25/2023	51727	Metropolitan Compounds Inc	\$3,957.77
09/25/2023	51728	O'Reilly Auto Parts	\$235.72
09/25/2023	51729	San Benito Tire Pros & Automotive	\$25.00
09/25/2023	51730	Veolia Water Technologies	\$7,025.43
09/25/2023	51731	SHAWNA MCKENZIE	\$6.15
09/25/2023	51732	MARTIN & LALENA CARTER	\$124.93
09/25/2023	51733	MARY & RANDY UBER	\$24.17
09/25/2023	51734	GLORIA CONNALLY & ROBIN ALLEN	\$33.26
09/25/2023	51735	JAMI L & MICHAEL D CARLOTTA	\$164.61
09/25/2023	51736	SELAM TEKLE & ALEM BERHANE	\$34.19
09/28/2023	ACH2701	CalPERS - Retirement	\$23.08
09/28/2023	ACH2702	CalPERS - Retirement	\$7,777.37
09/28/2023	ACH2703	CalPERS - Retirement	\$8,563.32
09/28/2023	ACH2704	Nationwide Retirements Solutions	\$9,156.61
09/28/2023	ACH2705	CalPERS - Health Insurance	\$25,255.86

-\$2,629,787.76

3. Receive Associate Engineer Monthly Status Report. (October Report Not Available)
4. Item F-4 Finance Manager Reports Moved to G-6 Under New Business.
5. Receive Superintendent Monthly Status Reports: a. Maintenance, b. City Meter Reading, and c. Groundwater Level Measurement.
6. Receive General Manager Monthly Status Report.

G. NEW BUSINESS:

1. **Authorize The General Manager To Purchase A Vac-Con Model VZ390LH/800 From Municipal Maintenance Equipment Inc. For A Cost Not To Exceed \$530,000 And To Surplus The 2009 Vac-Con Model V350LHA Purchased In 2020 (Not a project under CEQA per Article 20, Section 15378).**

O&M Crew Chief Dee J. Burbank was brought up to speak on the item, informing the board that the district's current Vac-Con is going to be subject to Tier 5 air quality standards; making the Vac-Con subject to annual inspections and reduced operating hours. In addition to these new regulations the maintenance of the older Vac-Con model regularly disrupts operations as small issues with the machinery takes it out of service for extended periods of time. General Manager Lander explained that although this was a purchase that was anticipated in the future, the circumstances surrounding the pricing of this Vac-Con are favorable to the district. The fact that this new vehicle would be deliverable 3 weeks from order with a considerable discount, due to the original purchaser not being able to complete the order, makes this an attractive value to the district.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Alcorn made a motion to authorize the General Manager to purchase a Vac-Con model VZ390LH/800 from Municipal Maintenance Equipment Inc. for a cost not to exceed \$530,000 and to surplus the 2009 Vac-Con model V350LHA purchased as a used vehicle in 2020. This motion was seconded by Director Parker for which President Brown then took a roll call vote as follows: (JB), yes; (EM), yes; (JP) yes; (MA) yes; and (DB) yes; the motion carried 5-0.

2. **Authorize General Manager To Extend A Professional Services Contract With San Benito Engineering & Surveying Inc. For Temporary Field Inspection Services not to exceed \$50,000 (Not a project under CEQA per Article 20, Section 15378).**

GM Lander presented a contract for temporary field inspection services not to exceed \$20,000 back in July 2023, but due to an ongoing struggle to find a new Associate Engineer the item is brought back to the board to increase the budget to \$50,000.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Alcorn made a motion to authorize General Manager to extend a professional services contract with San Benito Engineering & Surveying Inc. for temporary field inspection services not to exceed \$50,000. This motion was seconded by Director Mauro for which President Brown then took a roll call vote as follows: (JB), yes; (EM), yes; (JP) yes; (MA) yes; and (DB) yes; the motion carried 5-0.

3. Authorize The General Manager To Sign A Contract With Razzolink Inc. To Allow The Limited Lease Of A Location At The Ridgemark SBR For An Internet Service Antenna As Specified. (Not a project under CEQA per Article 20, Section 15378).

GM Lander spoke on the item, informing the board of Razzolink's request to place a low impact site antenna at the Ridgemark SBR, with an annual lease of \$6,000. Mr. Lander worked out that Razzolink would have to be in contact with the district if they needed to gain access to the antenna, but otherwise the antenna would not impact any daily facility operations.

Director Alcorn requested that the contract account for cost of living increases, to which General Manager Lander discussed adding that as a possible stipulation to the agreement to be approved at a later date by the finance committee.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Alcorn made a motion to authorize the General Manager to sign a contract with Razzolink Inc. to allow the limited lease of a location at the Ridgemark SBR for an internet service antenna; with the added stipulation that General Manager Lander will seek to negotiate a COLA contract with Razzolink. This motion was seconded by Director Buzzetta for which President Brown then took a roll call vote as follows: (JP), yes; (MA), yes; (EM) yes; (JB) yes; and (DB) yes; the motion carried 5-0.

4. Considered Authorizing And Directing The President Of The Board To Sign On Behalf Of The District, The Sewer Treatment And Disposal Agreement Presented, Ratifying A Mutual Agreement Between The City Of Hollister And Sunnyslope County Water District For Sewer Treatment Extended To Only Those Parcels Identified.

GM Lander presented this item informing the board that this agreement was drafted by the City of Hollister at the direction of their Board after three years of negotiations. This agreement includes conditions for sewer treatment to Gavilan College, Fairview Corners, The Lands of Lee Development and the Cielo Vista neighborhood.

President Brown then asked for any public comment. Michael Durke, the attorney representing Bill Lee for the Lands of Lee Project, raised his hand to speak on the matter. Mr. Durke discussed the item and requests that section 8A & 8D be removed from the agreement. In removing these sections, it allows for a temporary septic system to be utilized if sewer services cannot be set up in a timely manner. Mr. Durke hit his three speaker minutes and was given special approval by President Brown to continue speaking. Mr. Durke finished by informing the board it might be in their best interest to approve the contract with and without the stipulations being requested in the event the other entities needing to approve the contract approve either of the versions.

After public comment, President Brown requested a motion to approve the item. Director Buzzetta made a motion to consider authorizing and directing the President of the board to sign on behalf of the district, the sewer treatment and disposal agreement presented, ratifying a mutual agreement between the City Of Hollister and Sunnyslope County Water District for sewer treatment extended to only those parcels identified; with and without the added stipulation taking out sections 8A & 8D of the agreement. This motion was seconded by Director Alcorn for which President Brown then took a roll call vote as follows: (MA), yes; (JP), yes; (JB) yes; (EM) yes; and (DB) yes; the motion carried 5-0.

5. Considered Authorizing And Directing The Board President To Sign A Resolution Authorizing The General Manger To File A Financial Assistance Application With The DepartmentOf Water Resources On Behalf Of Best Road Mutual Water Company (BRMWC).

GM Lander brought this item to the board seeking approval to file a financial assistance application with the Department of Water Resources on behalf of Best Road Mutual Water Company. Sunnyslope has been working with Best Roads for the last year on grants being utilized for consolidating water services and in order to pursue an additional grant the Department of Water Resources requires the district complete the attached resolutions.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Alcorn made a motion to considered authorizing and directing the Board President to sign a resolution authorizing the General Manger to file a financial assistance application with the Department Of Water Resources on behalf Of Best Road Mutual Water Company. This motion was seconded by Director Parker for which President Brown then took a roll call vote as follows: (JB), yes; (EM), yes; (JP) yes; (MA) yes; and (DB) yes; the motion carried 5-0.

6. Finance Manager Monthly Status Reports

Director Buzzetta requested this item pulled from F4 and brought to new business for comments/discussion regarding our ongoing increased operating costs from operating both water plants at full capacity as directed by SBCWD-GM.

Back at the June 2023 Board Meeting directors were asked to approve the Fiscal Year 2023-2024 budget which reflected a net loss of \$1.6 million due to increased operating costs. Other than inflation, the sole increase in operational costs was due to SBCWD GM's direction for us to run both treatment plants at full capacity. The reason given for this was that in future drought years, the State may give our County higher water allocations based on this increased usage. Director Buzzetta inquired if the State had put it in writing-to SBCWD-that they would guarantee additional water allocations to our County in future drought years based on running our plants at full capacity and was told, no they had not. Director Buzzetta then inquired why our board would agree to such a huge expense with no ROI on that spending? Director Buzzetta stated our expense of running the plants at full capacity was not an appropriate or fiduciary use of our constituents/ratepayer's money, given that this additional spending/cost is in no way correlated to actually receiving higher allocations from the State, because we've seen how in our last drought, the State can-and did-reduce our allocations to 50%, then 20%, then 0%, at their sole discretion.

At the June 2023 Board Meeting the budget was approved, but with Director Buzzetta's added motion stipulation that staff must provide a bimonthly report on the expenses (raw water, chemicals, energy, increased plant maintenance and personnel costs) directly related to running both water plants at full capacity, so if the costs were significant, the board could address this issue based on the facts presented.

Director Buzzetta spoke about the facts as they have now become known over the past 8 months of operating both plants at full capacity: that the costs are over \$130,000 a month-for the COH and us together, that there is nothing in writing from the State or SBCWD, that guarantees this spending will bring us a higher water allocation in drought years, that spending our constituent & ratepayer money for this is not appropriate, nor fulfills our fiduciary duty, that this spending will statistically skew our costs arbitrarily higher and therefore misrepresent, our normal operating costs in our upcoming water rate hike process (Proposition 218/26), to the higher side and thereby unfairly increase our

constituents/ratepayers costs based on SBCWD GM's unsubstantiated direction for us to do so. Additionally, SBCWD is not paying any money towards this travesty, as only COH constituents & ratepayers and our constituents & ratepayers are bearing the full brunt of the costs-whereas SBCWD should be billed for their cost share of 1/3 total costs back to May, as well as going forward.

Director Buzzetta would like to see the District stop running both water plants at full capacity, go back to a 60/40 blend that balances water quality with its associated costs (saving \$130,000 a month), versus the current 85/15 blend, (costing \$130,000 a month with only marginal water quality gains and the outcomes were not fully vetted and all facts-as noted above-disclosed to this board previously), which would significantly lower all constituents & ratepayers costs, by lowering raw water and production costs, ensure a proper and fair nexus for our constituents & rate payers future rate increase (prop. 218/26) & comply with our operational & HUAWMP agreements.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Mauro made a motion to approve the Finance Manager's monthly status reports. This motion was seconded by Director Buzzetta for which President Brown then took a roll call vote as follows: (MA), yes; (JP), yes; (EM) yes; (JB) yes; and (DB) yes; the motion carried 5-0.

H. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** (No meeting)
2. **Water/Wastewater Committee:** (Meeting held September 27th, 2023)
3. **Finance Committee:** (No meeting)
4. **Policy and Procedure Committee:** (No meeting)
5. **Personnel Committee:** (Meeting Held September 15th, 2023)
6. **Water Resources Association of San Benito County (WRA):** (No meeting)

I. BOARD and STAFF REPORTS

1. **Directors:** No Report.
2. **District Counsel:** Attorney Michael Laredo reported that an upcoming mediation will be taking place November 7th for the pending lawsuit. Additionally, counsel reported that General Manager Lander is due for his annual evaluation in November.
3. **General Manager:** GM Lander reported on current progress with the City sewer contract indicating it is moving forward slowly on the operation of the IWTP and that is going well at this time, and the status of the Solar installation is moving forward as the permit for the County of San Benito has been issued.

J. **FUTURE AGENDA ITEMS:** Willow Landing Development Agreement, Fairview Corners Development Agreement, Gavilan College Development Agreement, and San Benito County/SSCWD- Cielo Vista Sewer Collection Agreement.

K. **ADJOURNMENT:** President Brown adjourned the meeting at 7:41 p.m.

APPROVED BY THE BOARD:

Dorothy J. L. Brown, President

RESPECTFULLY SUBMITTED:

Drew A. Lander, Secretary

MINUTES
Regular Meeting of the Board of Directors
of the
SUNNYSLOPE COUNTY WATER DISTRICT
November 21st, 2023

A. CALL TO ORDER: The meeting was called to order at 4:00 p.m. by President Brown, at the Sunnyslope County Water District office, 3570 Airline Highway, Hollister, California.

ROLL CALL: Present in Person: President Dee Brown (DB), Vice President Edward Mauro (EM), Director James Parker (JP), Director Mike Alcorn (MA).

Present via Teleconference: Director Jerry Buzzetta (JB).

B. PUBLIC COMMENTS ON CLOSED SESSION MATTERS: The Board welcomed members of the public and opened the meeting to public comments regarding matters identified on the Closed Session agenda. No comments were received.

C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS:

1. Conference with Legal Counsel – Pending Litigation (§ 54956.9):

County of San Benito vs. SSCWD, San Benito County Superior Court Case No. CU-20-00068

2. Conference with Legal Counsel – Liability Claims (§ 54956.95):

Claimant – Bryan & Jacki Leung

3. Management Compensation/Benefits (§ 54957.8)

Unrepresented Management Staff Classifications

4. Public Employee Performance Review (§ 54957)

General Manager

President Brown retired to closed session at 5:00 p.m. and upon returning to the regular session, moved to take a brief recess at 5:10 p.m. The meeting was reconvened to open session at 5:19 p.m.

D. PLEDGE OF ALLEGIANCE: Director Parker led those in attendance in the Pledge of Allegiance.

E. REPORT IN OPEN SESSION ACTION TAKEN IN CLOSED SESSION:

1. November 2nd, 2023 Closed Session- Conference with Legal Counsel – Potential Litigation Pertaining to Urban Area Water Supply and Treatment Agreement (§ 54956.9(d))

Urban Area Water Supply & Treatment Agreement- General Direction to continue discussions with the San Benito County Water District to clarify the requirements of the agreement.

2. November 20th, 2023 & November 21st, 2023- Conference with Legal Counsel – Pending Litigation (§ 54956.9):

County of San Benito vs. SSCWD, San Benito County Superior Court Case No. CU-20-00068, General Direction given.

3. Conference with Legal Counsel – Liability Claims (§ 54956.95):

Claimant – Bryan & Jacki Leung- Director Parker made a motion to reject the liability claim in closed session, seconded by Director Alcorn. The Board rejected the claim 5-0.

4. Management Compensation/Benefits (§ 54957.8) –

Unrepresented Management Staff Classifications- General Discussion

5. Public Employee Performance Review (§ 54957) –

General Manager- Pushed item to next month’s agenda.

F. APPROVAL OF AGENDA: Upon a motion made to approve the agenda by Director Alcorn, seconded by Director Mauro, for which President Brown then took a roll call vote as follows: (MA), yes; (JP), yes; (EM), yes; (JB), yes; (DB), yes; the motion carried 5-0.

G. PUBLIC COMMENTS AND AUDIENCE INTRODUCTIONS: The Board welcomed members of the public and opened the meeting to public comments regarding matters not itemized on the agenda. No comments were received.

Staff Present for Open Session: In Person: General Manager/Secretary Drew Lander, Executive Assistant/Stenographer Madison Koester, Water/ Wastewater Superintendent Jose Rodriguez, Finance and HR Manager Barry Kelly.

H. CONSENT AGENDA:

Director Buzzetta requested to pull item H-1, Minutes of Regular Board Meeting of October 17th, 2023, and asks for further conversation with General Manager Lander before approval. President Brown asked for public comment and upon receiving none, President Brown requested a motion to approve the consent agenda with the removal of Item H-1 to be reviewed by Director Buzzetta and the General Manager and be returned for approval at the next regular meeting of the Board. Upon a motion made by Director Mauro to approve the Consent Agenda with Director Buzzetta’s request, seconded by Director Alcorn, for which President Brown then took a roll call vote as follows: (EM), yes; (JP), yes; (MA), yes; (JB) yes; and (DB) yes; the motion carried 5-0.

~~1. Approval of Minutes of the Regular Board Meeting of October 17th, 2023~~ Removed by motion to be returned at the December Regular Board Meeting.

2. Allowance of Claims – The Board reviewed the Disbursement Summary (below) for the period of October 1, 2023 through October 31, 2023, totaling \$2,907,813.03 which includes \$1,094,376.64 for payments to vendors, \$254,910.44 for Payroll, \$449,206.51 paid to the City of Hollister for collection of City sewer billings (net of our fees), and \$1,519.98 for customer refunds.

Date	Number	Name	Amount
10/03/2023	51737	Peterson Trucks Inc.	\$2,873.70
10/04/2023	51738	A Tool Shed	\$625.60
10/04/2023	51739	Ace Hardware (Johnson Lumber Co.)	\$399.51
10/04/2023	51741	AT&T	\$1,033.45
10/04/2023	51742	Atlas Copco Compressors LLC	\$786.44
10/04/2023	51743	Brigantino Irrigation	\$296.87
10/04/2023	51744	Corbin Willits Systems, Inc. (MOM's)	\$150.00
10/04/2023	51745	David Padilla	\$131.10
10/04/2023	51746	EBCO Pest Control	\$69.00
10/04/2023	51747	exceedio	\$3,205.12
10/04/2023	51748	Hach Company	\$1,807.38
10/04/2023	51749	InfoSend	\$3,403.27

10/04/2023	51750	John Smith Road Landfill	\$1,550.70
10/04/2023	51751	MBS Business Systems	\$617.33
10/04/2023	51752	Mc Gilloway, Ray, Brown & Kaufman	\$10,080.00
10/04/2023	51753	Mission Uniform Service	\$1,166.64
10/04/2023	51754	Petty Cash	\$30.00
10/04/2023	51755	Razzolink.com	\$76.95
10/04/2023	51756	RJR Recycling	\$250.00
10/04/2023	51757	San Benito County Water District	\$301,017.11
10/04/2023	51759	San Benito Engineering & Surveying Inc.	\$7,280.00
10/04/2023	51760	State Water Resources Control Brd-WWOPCP	\$110.00
10/04/2023	51761	State Water Resources Control Brd-WWOPCP	\$110.00
10/04/2023	51762	Toro Petroleum Corp.	\$2,300.45
10/04/2023	51763	TPO	\$1,987.00
10/04/2023	51764	Troy Quick	\$125.54
10/04/2023	51765	True Value Hardware	\$23.10
10/04/2023	51766	U.S. Bank Corporate Payment Systems	\$4,025.22
10/04/2023	51768	UWUA Local 820	\$784.72
10/04/2023	51769	Verizon Wireless	\$519.98
10/04/2023	51770	Wallace Group	\$3,205.00
10/04/2023	ACH2706	Sterling Administration Health	\$150.00
10/04/2023	ACH2707	P G & E	\$33,745.62
10/05/2023	ACH2708	Sterling Administration Health	\$155.29
10/05/2023	ACH2710	Principal	\$3,405.97
10/05/2023	JN00513	Net Pay	\$69,232.88
10/05/2023	JN00513	Total Tax	\$18,518.78
10/06/2023	ACH2709	Sterling Administration Health	\$993.00
10/09/2023	51771	Ace Hardware (Johnson Lumber Co.)	\$145.64
10/09/2023	51772	Assoc. of Calif. Water Agencies (ACWA)	\$815.00
10/09/2023	51773	Assoc. of Calif. Water Agencies (ACWA)	\$815.00
10/09/2023	51774	Assoc. of Calif. Water Agencies (ACWA)	\$815.00
10/09/2023	51775	Brenntag Pacific, Inc.	\$6,164.31
10/09/2023	51776	Brigantino Irrigation	\$536.33
10/09/2023	51777	Employee Relations, Inc.	\$13.22
10/09/2023	51778	Green Line	\$5,470.00
10/09/2023	51779	J M Electric	\$1,670.00
10/09/2023	51780	Maggiora Bros. Drilling, Inc.	\$6,735.26
10/09/2023	51781	Mission Uniform Service	\$816.97
10/09/2023	51782	Palace Business Solutions	\$49.74
10/09/2023	51783	Recology San Benito County	\$342.91
10/09/2023	51784	San Benito County Water District	\$524,285.32
10/09/2023	51786	San Benito County Water District	\$354.25
10/09/2023	51787	State Water Resources Control Board-DWOC	\$90.00
10/09/2023	51788	Toro Petroleum Corp.	\$2,064.73
10/09/2023	51789	Trans Union LLC	\$169.46
10/10/2023	ACH2711	Sterling Administration Health	\$25.00
10/10/2023	ACH2712	Sterling Administration Health	\$525.57
10/10/2023	ACH2713	Nationwide Retirements Solutions	\$9,156.61
10/10/2023	ACH2714	iCloud	\$12,689.20
10/11/2023	ACH2715	Sterling Administration Health	\$118.15
10/12/2023	51810	PEGGY & RAY PIERCE, INC RETIREMENT PLAN AND TRUST	\$231.59
10/12/2023	51811	CODY & SHANNON SCHILKE	\$80.69
10/12/2023	51812	GRANITE CONSTRUCTION,	\$587.52

10/12/2023	ACH2716	CalPERS - Retirement	\$23.08
10/12/2023	ACH2717	CalPERS - Retirement	\$8,320.61
10/12/2023	ACH2718	CalPERS - Retirement	\$8,488.77
10/13/2023	51837	EVAN & BONNIE EATON	\$185.25
10/13/2023	ACH2719	Colonial Life	\$1,898.96
10/13/2023	ACH2720	ADP	\$2,221.35
10/16/2023	51790	ACC Business	\$1,323.29
10/16/2023	51791	Ace Hardware (Johnson Lumber Co.)	\$106.77
10/16/2023	51792	ACWA/JPIA	\$11,720.27
10/16/2023	51793	Brenntag Pacific, Inc.	\$32,184.44
10/16/2023	51794	Calcon System, Inc.	\$2,860.00
10/16/2023	51795	Central Ag Supply LLC	\$104.99
10/16/2023	51796	City of Hollister-Finance Dept	\$449,206.51
10/16/2023	51797	CM Analytical, Inc.	\$13,252.50
10/16/2023	51798	Hach Company	\$1,769.18
10/16/2023	51799	Hollister Auto Parts, Inc.	\$163.26
10/16/2023	51800	Maggiora Bros. Drilling, Inc.	\$2,595.86
10/16/2023	51801	Mission Uniform Service	\$940.61
10/16/2023	51802	Primex	\$6,840.00
10/16/2023	51803	Quinn Company	\$912.60
10/16/2023	51804	San Benito County Water District	\$275,069.28
10/16/2023	51805	Sharp Engineering and Construction, Inc.	\$50,870.00
10/16/2023	51806	Simplot Grower Solutions	\$1,426.80
10/16/2023	51807	State Water Resources Control Board-DWOCF	\$90.00
10/16/2023	51808	TPO	\$393.75
10/16/2023	51809	Wallace Group	\$2,467.50
10/16/2023	ACH2721	Sterling Administration Health	\$134.00
10/17/2023	51813	Triplepoint Environmental LLC	\$68,025.38
10/18/2023	ACH2722	Sterling Administration Health	\$185.82
10/19/2023	JN00514	Net Pay	\$67,593.14
10/19/2023	JN00514	Total Tax	\$17,686.60
10/20/2023	ACH2723	CalPERS - Retirement	\$23.08
10/20/2023	ACH2724	CalPERS - Retirement	\$7,638.09
10/20/2023	ACH2725	CalPERS - Retirement	\$8,343.03
10/20/2023	ACH2726	Nationwide Retirements Solutions	\$9,156.61
10/20/2023	ACH2727	CalPERS - Health Insurance	\$23,102.40
10/23/2023	51814	A & B Fire Protection and Safety, Inc.	\$850.00
10/23/2023	51815	A-1 Services	\$403.00
10/23/2023	51816	Ace Hardware (Johnson Lumber Co.)	\$78.58
10/23/2023	51817	Auto Tech Service Center, Inc.	\$980.00
10/23/2023	51818	Brenntag Pacific, Inc.	\$5,885.38
10/23/2023	51819	Brigantino Irrigation	\$152.71
10/23/2023	51820	De Lay & Laredo	\$3,757.50
10/23/2023	51821	EBCO Pest Control	\$69.00
10/23/2023	51822	Edges Electrical Group, LLC	\$243.50
10/23/2023	51823	Hach Company	\$1,347.87
10/23/2023	51824	InfoSend	\$3,406.08
10/23/2023	51825	J & J Air Conditioning	\$515.00
10/23/2023	51826	Mission Uniform Service	\$287.88
10/23/2023	51827	Municipal Maintenance Equipment	\$526,095.00
10/23/2023	51828	Quinn Company	\$1,941.32
10/23/2023	51829	Raftelis Financial Consultants, Inc.	\$4,290.00
10/23/2023	51830	Rain for Rent	\$7,718.49

10/23/2023	51831	San Benito County Water District	\$7,073.50
10/23/2023	51832	San Benito Engineering & Surveying Inc.	\$8,350.00
10/23/2023	51833	Star Concrete	\$179.72
10/23/2023	51834	Toro Petroleum Corp.	\$2,408.65
10/23/2023	51835	Tyler Technologies, Inc.	\$22,530.53
10/23/2023	51836	Unified Truck Services	\$300.00
10/23/2023	ACH2728	Sterling Administration Health	\$35.00
10/25/2023	ACH2729	Sterling Administration Health	\$150.00
10/26/2023	51858	TWIN OAKS COMMUNITY ASSOCIATION,	\$25.88
10/26/2023	51859	WENJING GENG & ZIXUAN WANG	\$14.43
10/26/2023	51860	MARIO AZIZZI	\$167.71
10/26/2023	51861	CATAMOUNT PROPERTIES 2018 LLC,	\$226.91
10/30/2023	51838	Ace Hardware (Johnson Lumber Co.)	\$40.67
10/30/2023	51839	AT&T	\$1,038.26
10/30/2023	51840	Brenntag Pacific, Inc.	\$56,604.99
10/30/2023	51841	Brigantino Irrigation	\$71.08
10/30/2023	51842	Calgon Carbon Corporation	\$71,697.79
10/30/2023	51843	Central Ag Supply LLC	\$1,948.50
10/30/2023	51844	Corbin Willits Systems, Inc. (MOM's)	\$150.00
10/30/2023	51845	CWEA Membership- TCP	\$221.00
10/30/2023	51846	exceedio	\$3,304.12
10/30/2023	51847	Inductive Automation	\$5,948.40
10/30/2023	51848	Mission Uniform Service	\$801.46
10/30/2023	51849	Razzolink.com	\$76.95
10/30/2023	51850	Sharp Engineering and Construction, Inc.	\$29,675.00
10/30/2023	51851	Star Concrete	\$71.01
10/30/2023	51852	Transene Company Inc (Shape Products)	\$152.36
10/30/2023	51853	True Value Hardware	\$147.90
10/30/2023	51854	UWUA Local 820	\$761.64
10/30/2023	51855	Verizon Wireless	\$475.61
10/30/2023	51856	Wallace Group	\$6,661.25
10/30/2023	51857	William K Boltz	\$147.43

-\$2,907,813.03

3. Receive Associate Engineer Monthly Status Report. (November Report Not Available)
4. Receive Finance Manager Monthly Status Reports: a. Narrative Report, b. Operation Summary, c. Statement of Income, d. Investment Summary, and e. Board Designated Reserves.
5. Receive Superintendent Monthly Status Reports: a. Maintenance, b. City Meter Reading, and c. Groundwater Level Measurement.
6. Receive General Manager Monthly Status Report.

I. NEW BUSINESS:

1. **Receive the Audit Report/Presentation By Patricia Kaufman, CPA/Partner, With McGilloway, Ray, Brown & Kaufman On June 30, 2022 Audit. (Not A Project Under CEQA Per Article 20, Section 15378).**

General Manager Lander introduced Patricia Kaufman, CPA/Partner with McGilloway, Ray, Brown & Kaufman, to give the board a report/presentation regarding the District's June 30, 2023 audit and the resulting audited financial statements and Governance letter.

Miss. Kaufman stated that the significant audit findings are: Management is responsible for the selection and use of appropriate account policies and the auditors noted no transaction entered into the District books during the FY 2022-23 for which there is lack of authoritative guidance or consensus; account estimates – evaluated the underlying assumptions for allowance for uncollectible accounts, useful lives/depreciation, deferred inflows and outflows, pension liability, and postemployment benefit liability and found them to be appropriate. The sensitive financial statement disclosures are CALPERS GASB statement No. 68, Accounting Valuation Report, with the measurement date of June 30, 2022. The disclosure of Other Post Employment Benefit (OPEB) Plan to the financial statements are GASB Statement 75, Accounting Valuation Report, with the measurement date of June 30, 2022.

Miss. Kaufman stated that current assets increased due to an increase in receivables throughout the year. Capital assets increased mainly due to the purchase of treatment plant equipment and donated assets from developments that were completed. Other non-current assets see a decrease due to the pension asset recognized in the prior year and pension liability in the current year. For total assets the number did increase for this fiscal year by about \$1 million. Miss. Kaufman continued, stating current liabilities decreased mainly due to accounts payable amounts being down. Long-term liabilities decreased due to regular Principal debt service payments. Pension Liability and Net OPEB Liability were a net increase determined by future liability. Miss. Kaufman then stated that the Restricted for Capacity and Connection Fees liabilities decreased due to current year charges in new connections. Lastly, Miss. Kaufman explained that operating revenues increased mainly due to pension credit in the previous year and capacity and connection fees decreased due to the District receiving 101 new water capacity fees, as opposed to last year's 501.

Miss. Kaufman recapped stating that there were no difficulties encountered in performing the audit; there were no disagreements with Management; there were no Management consultations with other independent accountants; and the timing of the audit went according to schedule and the found no delays.

No motion or vote required.

2. Approve And Authorize The Board President To Sign Resolution 597, Adopting A Salary Scale Adjustment Of All Management Classifications Along With Incentive Pay Increases For Management Staff Who Acquire CWEA Certifications. (Not A Project As Defined By Article 20, Section 15378 Of The State CEQA Guidelines).

General Manager Lander spoke on this item, explaining that discussions with management and a Bureau of Labor CPI of 3.7% ending October 2023, are the primary factors for a salary adjustment for managers. Director Alcorn questioned where the 5% came from, to which Mr. Lander explained the 2023 CPI of 3.7% and the 2022 CPI of 7.3%, also touching on the fact that he desires to do more in the future. In addition to the overall salary adjustment, Mr. Lander discusses the importance of particular CWEA certifications and informs the board that he believes managers should be compensated for obtaining certificates. Director Buzzetta commented that although he believes management deserves the salary adjustment, he cannot vote on it at this time due to the District having to run both plants at full capacity, increasing operating costs.

President Brown then asked for any public comment. Upon receiving no public comment, President Brown requested a motion to approve the item. Director Alcorn made a motion to authorize the board president to sign resolution 597, adopting a salary scale adjustment of all management classifications along with incentive pay increases for management staff

who acquire CWEA certifications. This motion was seconded by Director Mauro for which President Brown then took a roll call vote as follows: (JB), no; (MA), yes; (JP) yes; (EM) yes; and (DB) yes; the motion carried 4-1.

J. BOARD COMMITTEE and STATUS REPORTS

1. **Governance Committee:** (No meeting)
2. **Water/Wastewater Committee:** (Meeting held November 20th, 2023)- Conference with Legal Counsel- Pending Litigation (§ 54956.9)
3. **Finance Committee:** (No meeting)
4. **Policy and Procedure Committee:** (No meeting)
5. **Personnel Committee:** (Meeting Held September 9th)
6. **Water Resources Association of San Benito County (WRA):** (No meeting)

K. BOARD and STAFF REPORTS

1. **Directors:** No Report.
2. **District Counsel:** Attorney Michael Laredo reported that he followed direction given at the previous October board meeting and submitted a formal information request from San Benito County Water District.
3. **General Manager:** GM Lander reported the current progress with the City sewer contract for Cielo Vista, indicating it is moving forward slowly as we prepare for sewer videoing and cleaning. Mr. Lander also reported that the rate model is still making progress and the status of the Solar installation is moving forward for a hopeful January operational date.

L. FUTURE AGENDA ITEMS: Willow Landing Development Agreement, Fairview Corners Development Agreement, Gavilan College Development Agreement, San Benito County/SSCWD – Cielo Vista Sewer Collection Agreement

M. ADJOURNMENT: President Brown adjourned the meeting at 6:27 p.m.

APPROVED BY THE BOARD:

Dorothy J. L. Brown, President

RESPECTFULLY SUBMITTED:

Drew A. Lander, Secretary



Sunnyslope Water District

Disbursement Reports FY 23-24

November 1, 2023 through November 30, 2023

Date	Num	Name	Amount
11/02/2023	ACH2730	P G & E	\$28,295.63
11/02/2023	JN00521	Net Pay	\$68,772.45
11/02/2023	JN00521	Total Tax	\$18,097.91
11/06/2023	51862	Ace Hardware (Johnson Lumber Co.)	\$245.93
11/06/2023	51863	Agile Occupational Medicine, PC	\$40.00
11/06/2023	51864	Auto Tech Service Center, Inc.	\$185.00
11/06/2023	51865	Badger Meter, Inc.	\$2,597.69
11/06/2023	51866	Brenntag Pacific, Inc.	\$71,438.90
11/06/2023	51867	Central Ag Supply LLC	\$779.27
11/06/2023	51868	City of Hollister-Finance Dept	\$447,647.05
11/06/2023	51869	exceedio	\$1,012.60
11/06/2023	51870	Grainger, Inc.	\$611.22
11/06/2023	51871	Hach Company	\$816.21
11/06/2023	51872	Iconix Waterworks (US) Inc.	\$7,417.33
11/06/2023	51873	J M Electric	\$1,419.50
11/06/2023	51873	J M Electric Reversal	-\$1,419.50
11/06/2023	51874	John Smith Road Landfill	\$331.32
11/06/2023	51875	Mc Gilloway, Ray, Brown & Kaufman	\$8,820.00
11/06/2023	51876	Mission Uniform Service	\$402.04
11/06/2023	51877	Petty Cash	\$35.00
11/06/2023	51878	Quinn Company	\$1,240.62
11/06/2023	51879	Ryan Herco Flow Solutions	\$704.77
11/06/2023	51880	San Benito County Water District	\$379.00
11/06/2023	51881	San Benito Engineering & Surveying Inc.	\$2,880.00
11/06/2023	51882	Star Concrete	\$1,136.21
11/06/2023	51883	TPO	\$1,586.00
11/06/2023	51884	U.S. Bank Corporate Payment Systems	\$5,732.50
11/06/2023	ACH2731	Principal	\$2,987.66
11/08/2023	ACH2732	iCloud	\$12,739.25
11/09/2023	ACH2733	Sterling Administration Health	\$35.00
11/10/2023	ACH2734	ADP	\$2,221.35
11/13/2023	51885	ACC Business	\$1,323.29
11/13/2023	51886	Ace Hardware (Johnson Lumber Co.)	\$502.61
11/13/2023	51887	Auto Tech Service Center, Inc.	\$2,110.00
11/13/2023	51888	Brenntag Pacific, Inc.	\$15,746.07
11/13/2023	51889	Brigantino Irrigation	\$102.27
11/13/2023	51890	Employee Relations, Inc.	\$28.15

Disbursement Reports FY 23-24

11/13/2023	51891	J M Electric	\$751.50
11/13/2023	51892	Michael Vargas Garcia	\$250.00
11/13/2023	51893	Mission Uniform Service	\$605.54
11/13/2023	51894	O'Reilly Auto Parts	\$148.72
11/13/2023	51895	Recology San Benito County	\$342.91
11/13/2023	51896	San Benito Tire Pros & Automotive	\$60.00
11/13/2023	51897	Star Concrete	\$391.12
11/13/2023	51898	Toro Petroleum Corp.	\$3,295.71
11/13/2023	51899	True Value Hardware	\$26.86
11/13/2023	51900	LINDA & MICHAEL WARD	\$128.00
11/13/2023	51901	S PETERSON/BRUCE & PAIGE HARRIS	\$350.00
11/13/2023	51920	KEITH & GRACIELA BREWER	\$217.90
11/14/2023	ACH2735	Colonial Life	\$1,863.36
11/16/2023	ACH2736	Sterling Administration Health	\$134.00
11/16/2023	ACH2737	Nationwide Retirements Solutions	\$9,156.61
11/17/2023	JN00522	Net Pay	\$69,928.81
11/17/2023	JN00522	Total Tax	\$18,208.80
11/20/2023	51902	Ace Hardware (Johnson Lumber Co.)	\$71.04
11/20/2023	51903	Badger Meter, Inc.	\$39,825.18
11/20/2023	51904	Brenntag Pacific, Inc.	\$1,735.29
11/20/2023	51905	Bryan Mailey Electric, Inc	\$3,942.67
11/20/2023	51906	Calcon System, Inc.	\$5,093.00
11/20/2023	51907	De Lay & Laredo	\$7,626.50
11/20/2023	51908	EBCO Pest Control	\$75.00
11/20/2023	51909	Geotech Environmental Equipment, Inc.	\$6,526.74
11/20/2023	51910	John Smith Road Landfill	\$70.29
11/20/2023	51911	Marie Peterson	\$2,400.00
11/20/2023	51912	Mc Master-Carr	\$189.94
11/20/2023	51913	Meter, Valve & Control	\$67,073.87
11/20/2023	51914	Mission Uniform Service	\$1,072.22
11/20/2023	51915	North Bay Pensions, LLC	\$1,200.00
11/20/2023	51916	Streamline	\$3,600.00
11/20/2023	51917	Toro Petroleum Corp.	\$1,831.67
11/20/2023	51918	UWUA Local 820	\$784.72
11/20/2023	51919	Veolia Water Technologies	\$67,893.53
11/20/2023	ACH2738	CalPERS - Retirement	\$23.08
11/20/2023	ACH2739	CalPERS - Retirement	\$23.08
11/20/2023	ACH2740	CalPERS - Retirement	\$7,563.64
11/20/2023	ACH2741	CalPERS - Retirement	\$8,409.80
11/20/2023	ACH2742	CalPERS - Retirement	\$7,757.71

Disbursement Reports FY 23-24

11/20/2023	ACH2743	CalPERS - Retirement	\$7,602.36
11/20/2023	ACH2744	Nationwide Retirements Solutions	\$9,387.38
11/20/2023	ACH2745	CalPERS - Health Insurance	\$25,509.02
11/27/2023	51736	SELAM TEKLE & ALEM BERHANE	\$9.51
11/27/2023	51921	A-1 Services	\$403.00
11/27/2023	51922	Abel Alvarez	\$250.00
11/27/2023	51923	Brenntag Pacific, Inc.	\$27,373.60
11/27/2023	51924	Central Ag Supply LLC	\$320.99
11/27/2023	51925	Corbin Willits Systems, Inc. (MOM's)	\$150.00
11/27/2023	51926	InfoSend	\$3,429.05
11/27/2023	51927	Rain for Rent	\$7,718.49
11/27/2023	51963	THOMAS P SWARTS	\$38.76
11/27/2023	51964	JARED & HEATHER BISHOP	\$37.36
11/27/2023	51965	LENNARD J DAVID	\$150.00
11/27/2023	51966	FRANCISCO GARFIAS MEDINA	\$186.02
11/27/2023	51967	CRAIG & C/O MARK GUERRA	\$69.59
11/27/2023	51969	GRAHAM CONTRACTORS INC,	\$537.90
11/27/2023	ACH2746	Sterling Administration Health	\$373.29
11/30/2023	51962	ARMANDO GONZALEZ & MARISSA NEWTOI	\$92.63
			\$1,133,288.06

S U M M A R Y:

Accounts Payable Paid to:

Vendors	\$414,871.13
Payroll - Employee	\$268,573.21
San Benito County	\$379.00
City of Hollister for City Billing Collected, Net of Fees	\$447,647.05
Customer Refunds & Returned Checks/ACH	\$1,817.67
Debt & Finance	\$0.00
Total Disbursements	\$1,133,288.06

Staff Report

Agenda Item: **H – 4a**

DATE: December 14, 2023 (December 19, 2023 Meeting)

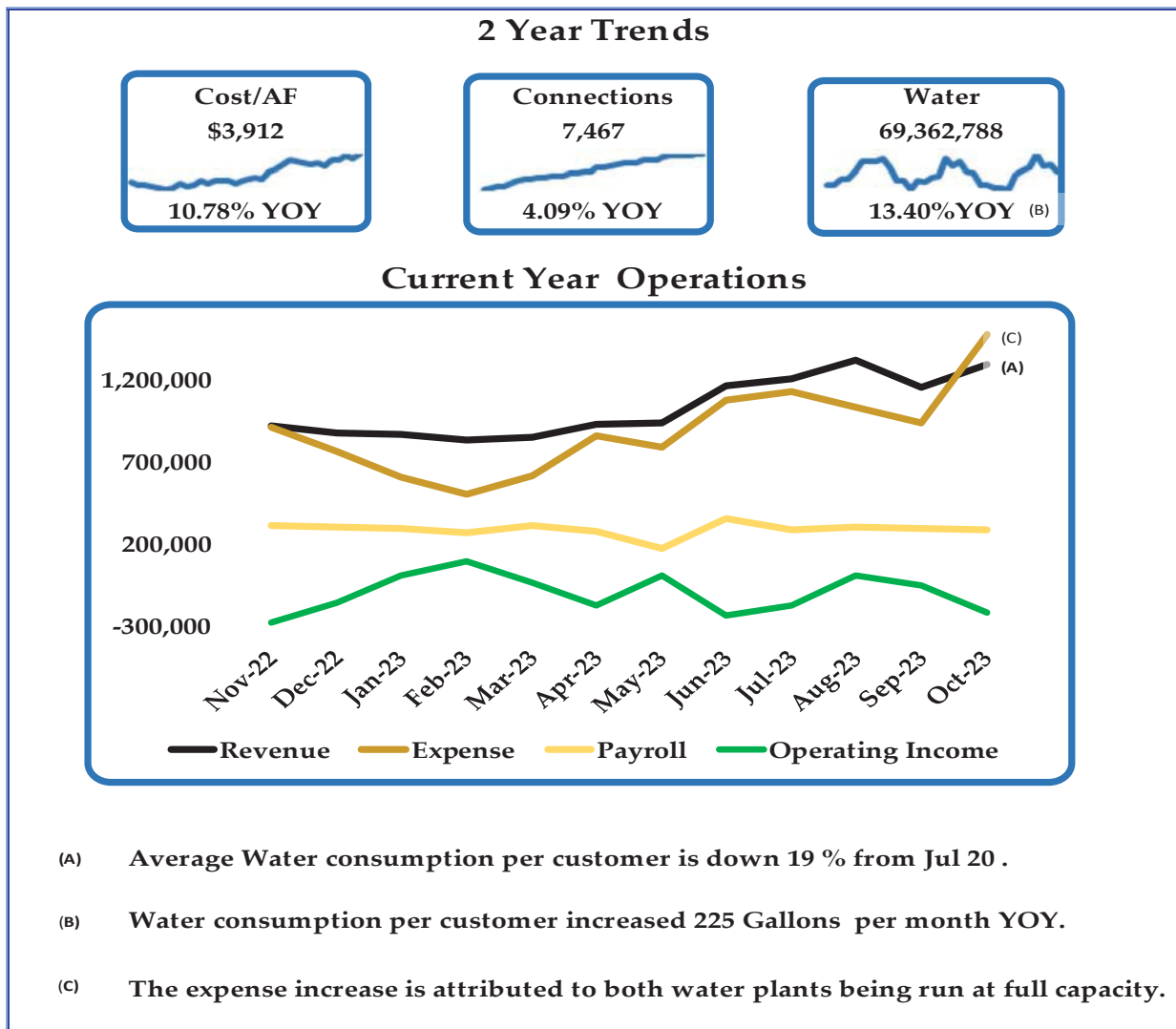
TO: Board of Directors

FROM: Finance & Human Resource Manager, Barry Kelly

SUBJECT: Statements of: a. Operations, b. Income, c. Investment, and d. Board Designated Reserves.

OPERATION SUMMARY

(Nov 2023)

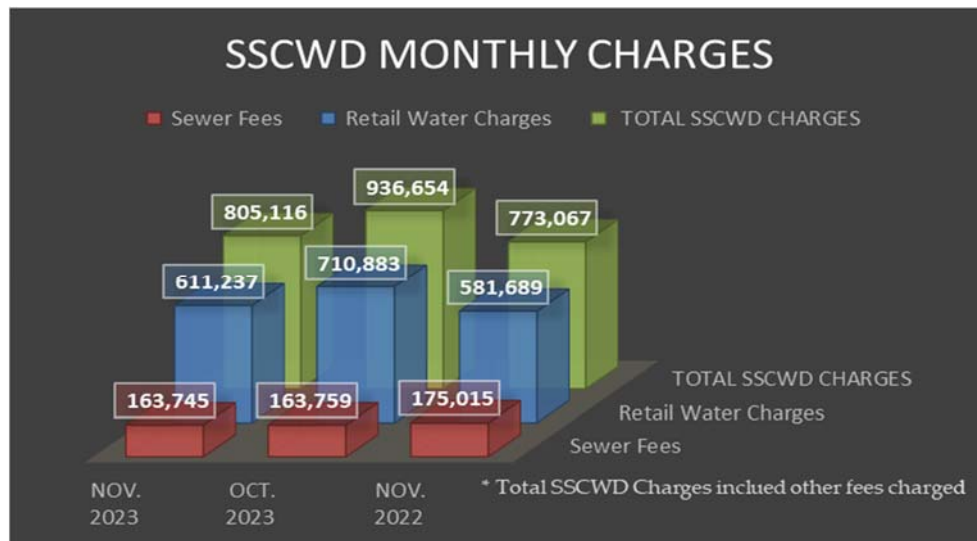


Connections increased by 13 accounts in November. We now serve 7,467 customers and 5,661 accounts utilize online services and electronic payments.

YTD Revenue for FY 24 increased 12% YOY.

SBCWD O&M receivables total \$371k which comprises November activity. Nothing is overdue. San Benito Foods O&M totals \$304k and comprises all seven months of the current contract. And \$71k of capital improvements from Nov 2022. Their contract allows them one month of operating activity or \$33k in credit, thus they are \$271k in arrears. Negotiations are ongoing to resolve this issue.

Water consumption YTD per customer is up 7% from one year ago. Billed Metered water YTD through is 414.3 MM gallons vs 385.6 MM in the prior year.



STATEMENT OF INCOME VS BUDGET

(Oct 23)

YTD, we show an overall Net Operating loss of \$(370k) vs a loss of \$(65k) in the prior year. The projected FY 24 net income from operations is a loss of 1.5 million vs a budgeted loss of 2.3 MM. and an actual loss of \$799k in the previous fiscal year. The increased deficit is attributed to the cost of operating the plants at full capacity. The surface water blend averaged 34% in the prior year and was 86% in October. The impact of this was to add 93k to the actual loss for the month.

INVESTMENT SUMMARY

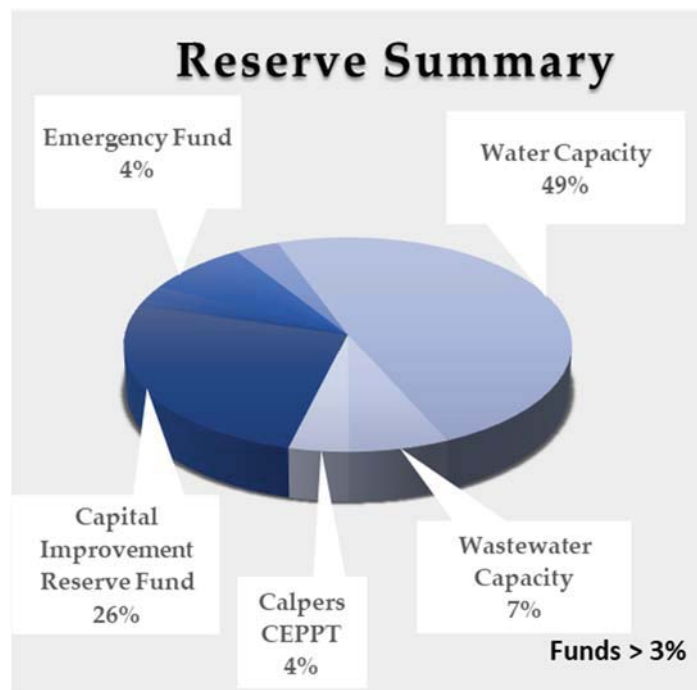
(Oct 2023)

Cash and invested funds total \$24.2 million. Over 22.2 million is earning between 3.5% and 4.5%. The FY24 income from investments is projected to be 600k.

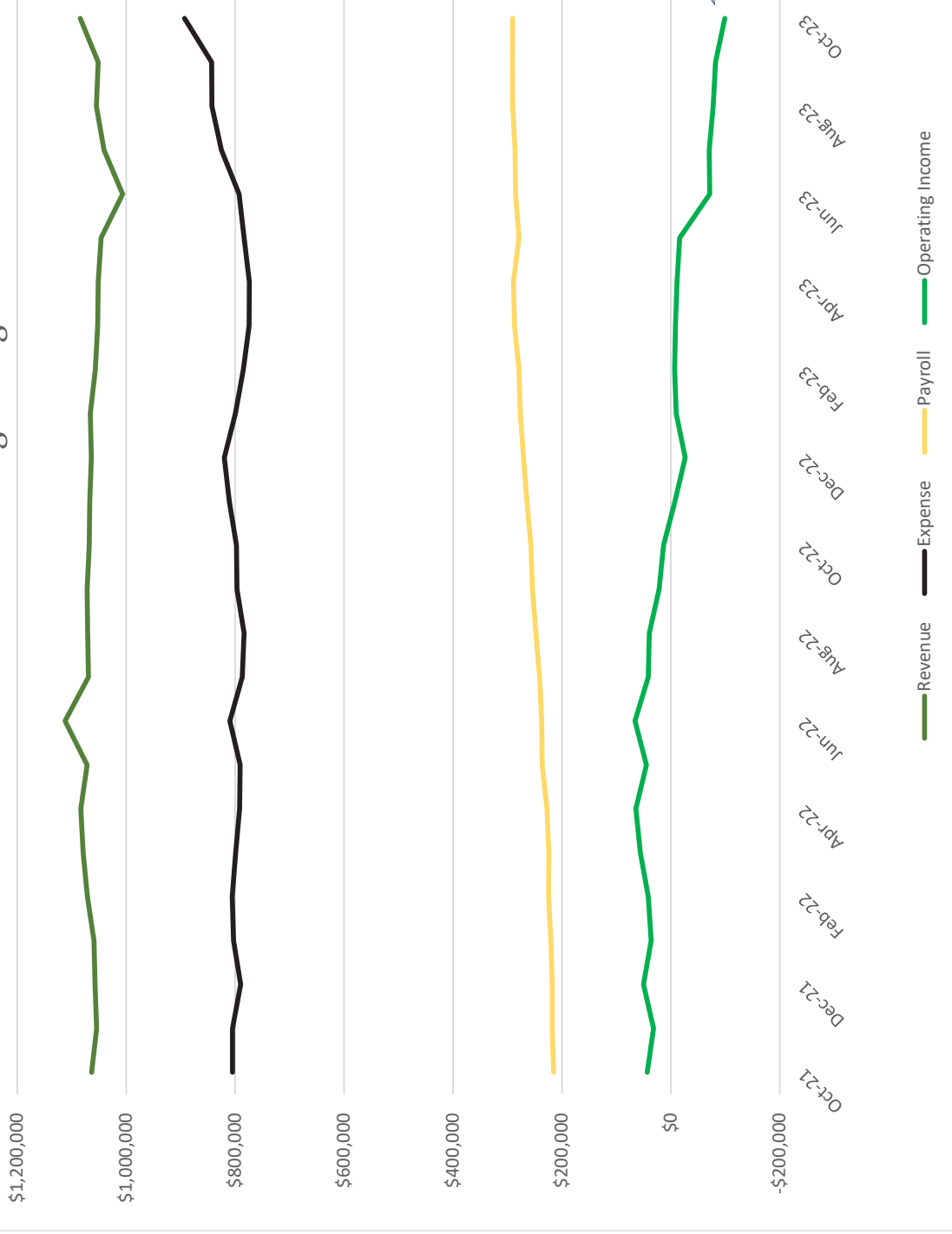
RESERVES

(Oct 2023)

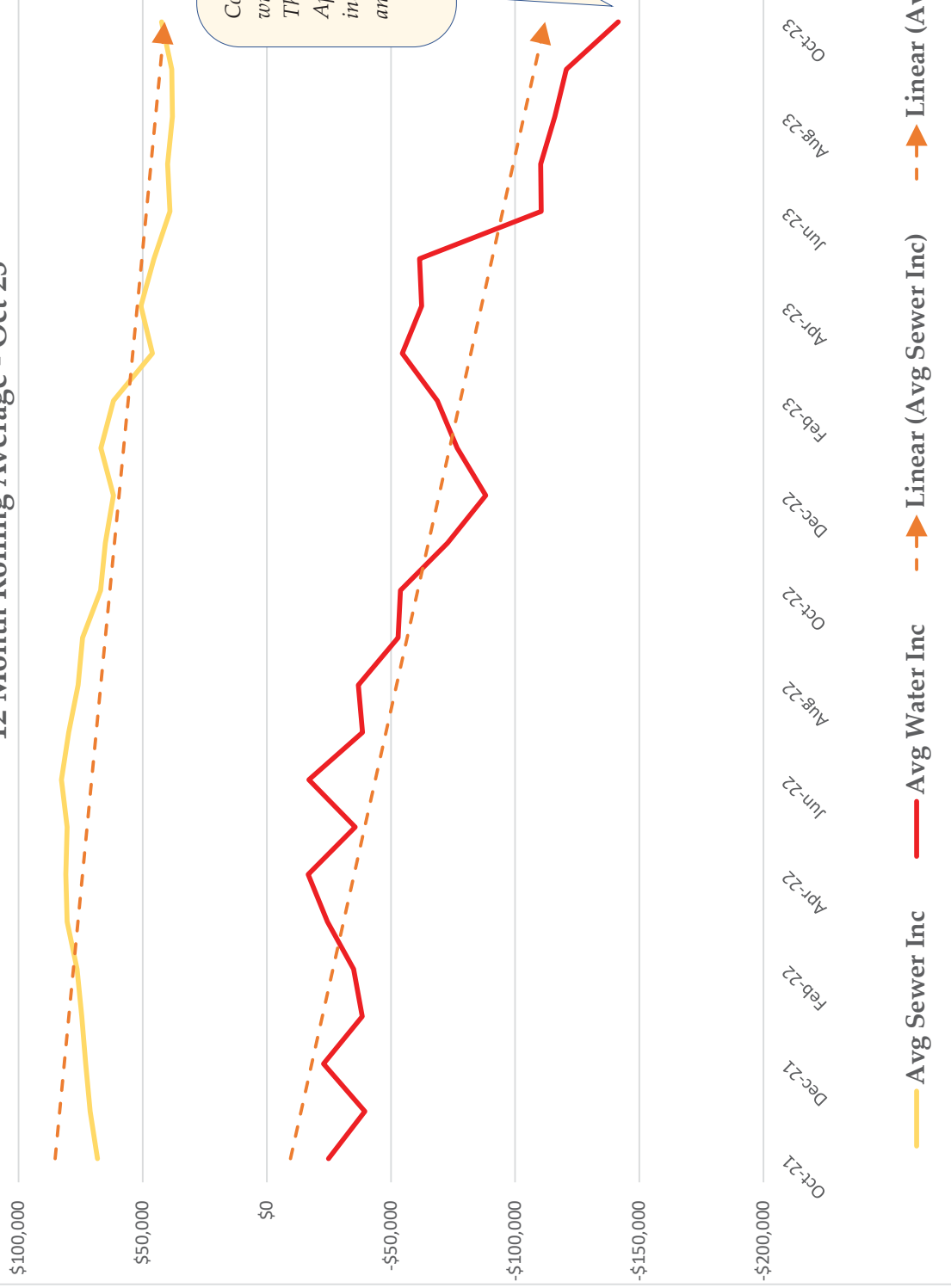
Reserves total \$22.6 million which equals 43% of capitalized assets. See the Board Designated Reserve report for a summary of the transactions and the status of actual expenditures per Board authorized expenditures.



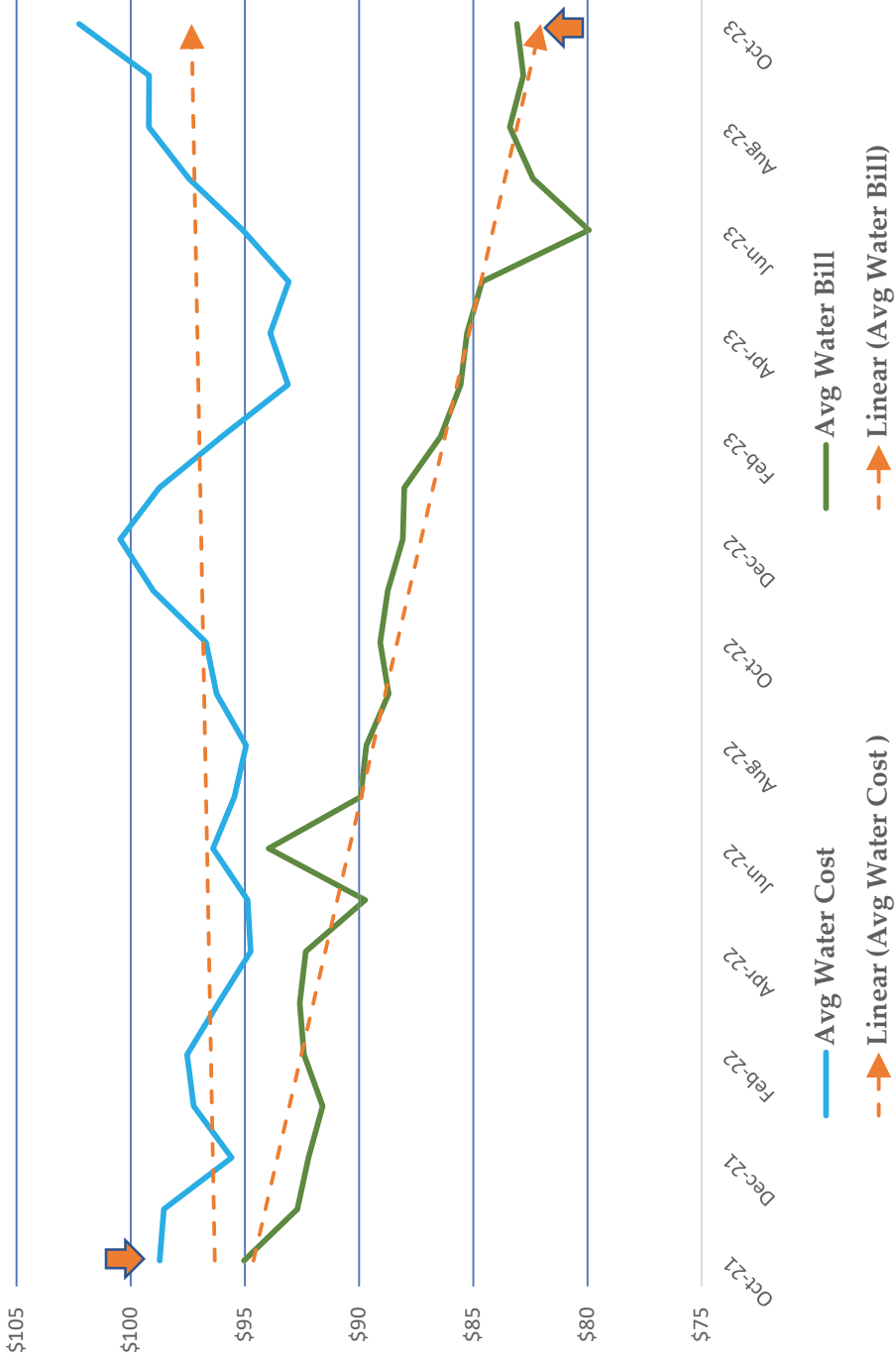
Statement of Operating Income 12 Month Rolling Average - Oct 23



Operating Income by Segment 12 Month Rolling Average - Oct 23

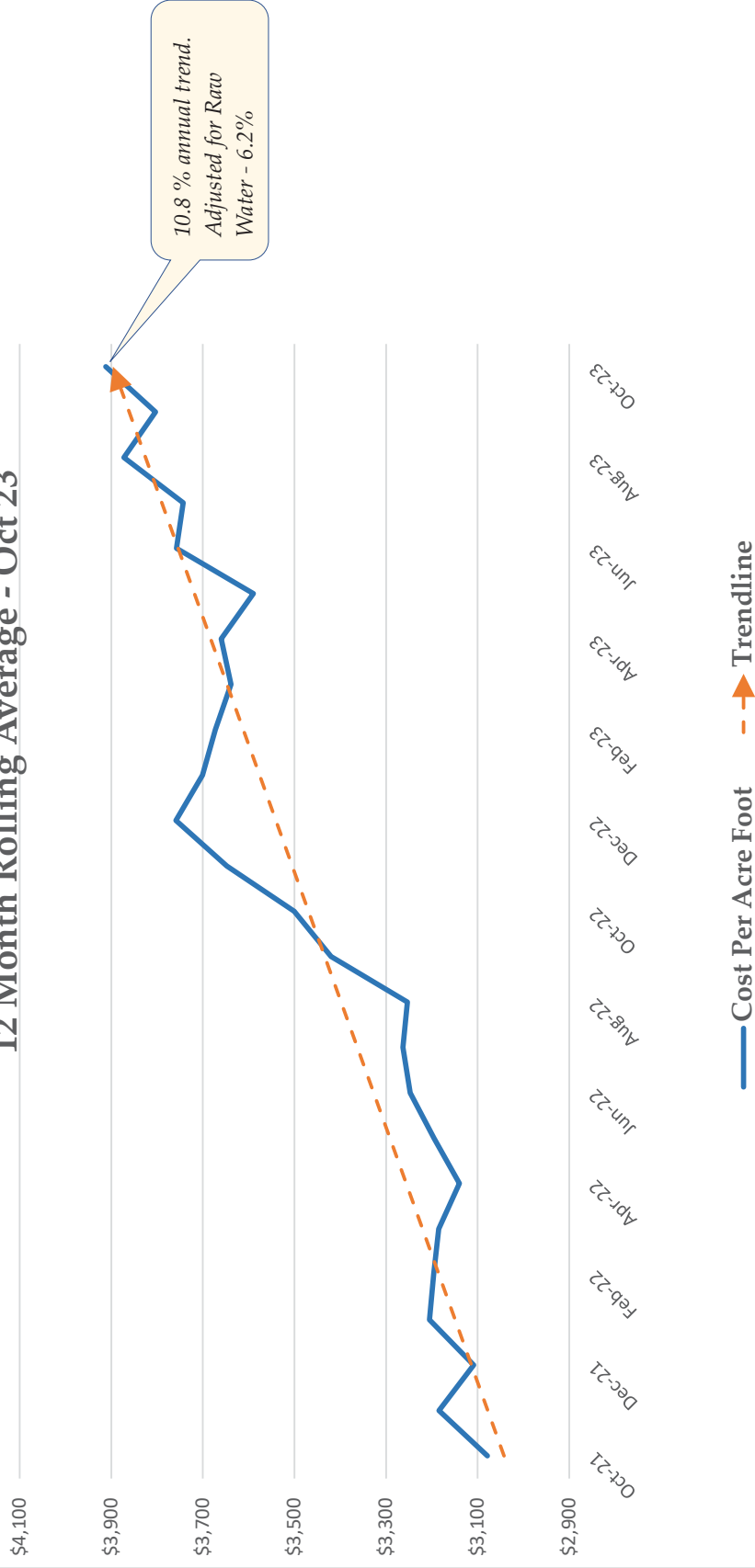


Per Customer Water Charges 12 Month Rolling Average - Oct 23



The difference between water costs and the average bill has grown from \$2 to \$20 since Oct 21. Average cost per customer has remained flat.

Cost Per Acre Foot 12 Month Rolling Average - Oct 23



Sunnyslope County Water District
2023 / 2024
OPERATION SUMMARY (This Year)

ITEMS	JULY 2023	AUG. 2023	SEPT. 2023	OCT. 2023	NOV. 2023	DEC. 2023	JAN. 2024	FEB. 2024	MAR. 2024	APR. 2024	MAY 2024	JUNE 2024	YTD TOTAL
NO. WATER CAPACITY FEE RECD	7	8	-	-	23	-	-	-	-	-	-	-	51
NO. WW CAPACITY FEE RECD	5	4	-	-	-	-	-	-	-	-	-	-	9
NO. WATER ACCOUNTS	7,413	7,413	7,419	7,419	7,417	7,417	7,417	7,417	7,417	7,417	7,417	7,417	7,417
NO. SSCWD SEWER ACCTS	1,302	1,308	1,309	1,306	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308
NO. COH SEWER ACCTS	4,877	4,884	4,906	4,922	4,938	4,938	4,938	4,938	4,938	4,938	4,938	4,938	4,938
Total WaterSmart / Invoice Cloud	5,653	5,470	5,864	5,693	5,661	-	-	-	-	-	-	-	-
NO. E-BILL Invoice Cloud (Paperless)	2,090	2,119	2,153	2,146	2,164	-	-	-	-	-	-	-	-
MONTHLY CHARGES													
Retail Water Charges	\$ 678,622.03	\$ 851,334.48	\$ 684,394.94	\$ 710,883.41	\$ 710,883.41	\$ 611,236.80	\$ 163,739.42	\$ 163,739.42	\$ 163,739.42	\$ 163,739.42	\$ 163,739.42	\$ 163,739.42	\$ 3,536,471.66
Sewer Fees	162,527.70	162,127.99	164,279.77	163,739.42	163,739.42	163,739.42	163,739.42	163,739.42	163,739.42	163,739.42	163,739.42	163,739.42	816,439.39
Installation Fees	2,960.00	4,860.00	4,860.00	9,315.00	9,315.00	6,215.00	6,215.00	6,215.00	6,215.00	6,215.00	6,215.00	6,215.00	23,350.00
Late Fees	7,400.35	8,213.75	10,439.18	7,676.22	7,676.22	7,676.22	7,676.22	7,676.22	7,676.22	7,676.22	7,676.22	7,676.22	41,394.11
COH Billing Fees	14,679.00	14,721.00	14,808.00	14,832.00	14,922.00	14,922.00	14,922.00	14,922.00	14,922.00	14,922.00	14,922.00	14,922.00	73,962.00
Other Misc. Fees	2,785.48	2,325.39	1,600.00	30,186.38	1,375.73	-	-	-	-	-	-	-	38,272.98
TOTAL SSCWD CHARGES	\$ 868,974.76	\$ 1,043,582.61	\$ 875,521.89	\$ 936,654.43	\$ 805,116.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,529,850.14
CITY OF HOLLISTER CHARGES													
COH Sewer Fees	439,232.35	440,073.98	441,641.95	443,488.36	444,804.27	444,804.27	444,804.27	444,804.27	444,804.27	444,804.27	444,804.27	444,804.27	\$ 2,209,240.91
COH Street Sweeping	11,143.60	11,149.86	11,194.04	11,241.20	11,277.80	11,277.80	11,277.80	11,277.80	11,277.80	11,277.80	11,277.80	11,277.80	56,006.50
COH Senior Discount	(1,427.10)	(1,407.00)	(1,414.80)	(1,459.26)	(1,467.30)	(1,467.30)	(1,467.30)	(1,467.30)	(1,467.30)	(1,467.30)	(1,467.30)	(1,467.30)	(7,175.46)
Total COH Charges	448,948.85	449,816.84	451,421.19	453,270.30	454,614.77	454,614.77	454,614.77	454,614.77	454,614.77	454,614.77	454,614.77	454,614.77	2,238,071.95
Late Fees	5,371.85	5,635.57	5,292.91	5,482.09	5,140.00	-	-	-	-	-	-	-	26,522.42
TOTAL COH CHARGES	\$ 454,320.70	\$ 455,452.41	\$ 456,714.10	\$ 458,752.39	\$ 459,754.77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,264,594.37
ACCOUNTS RECEIVABLE - Aged													
A/R for Sunnyslope Water **	\$ 994,039.75	\$ 1,182,589.86	\$ 1,028,536.87	\$ 1,028,959.80	\$ 950,312.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/R for City of Hollister **	563,971.82	584,258.78	576,598.85	574,964.95	586,571.15	586,571.15	586,571.15	586,571.15	586,571.15	586,571.15	586,571.15	586,571.15	\$ 2,209,240.91
Unapplied Payments	(48,720.53)	(48,256.13)	(43,957.84)	(47,912.58)	(55,020.27)	(55,020.27)	(55,020.27)	(55,020.27)	(55,020.27)	(55,020.27)	(55,020.27)	(55,020.27)	56,006.50
Outstanding Bills Owed	\$ 1,509,291.04	\$ 1,718,592.51	\$ 1,561,177.88	\$ 1,556,012.17	\$ 1,481,863.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(7,175.46)
% Past Due	267,120.54	259,706.29	289,851.57	265,104.60	276,827.88	-	-	-	-	-	-	-	-
% Past Due	17.70%	15.11%	18.57%	17.04%	18.68%	-	-	-	-	-	-	-	-
SSCWD O&M Owed	\$562,694.15	\$496,071.00	\$370,881.77	\$304,304.67	\$304,304.67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
San Benito Funds Owed	\$270,971.34	\$270,971.34	\$270,971.34	\$270,971.34	\$270,971.34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

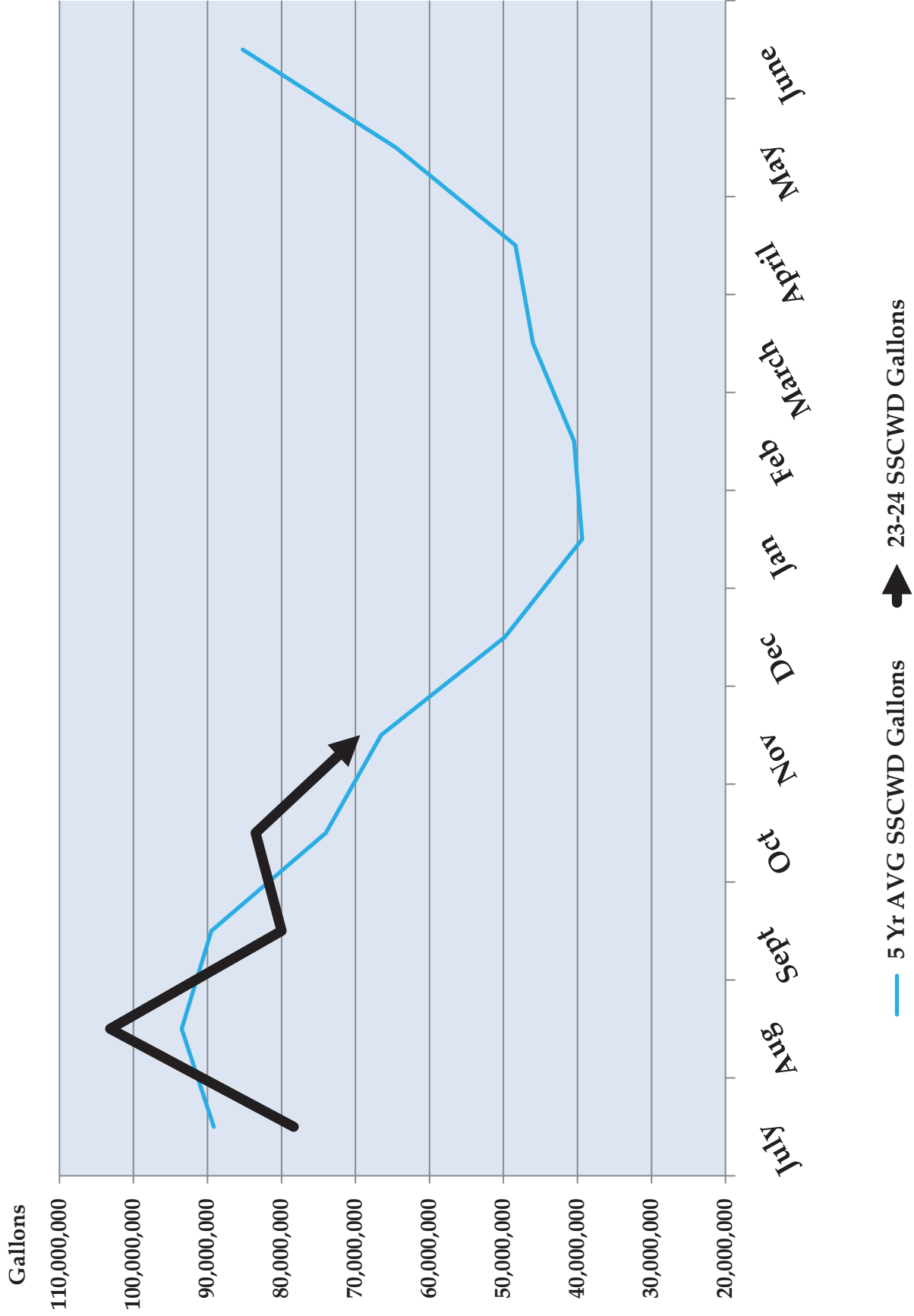
Sunnyslope County Water District
2023 / 2024
OPERATION SUMMARY (This Year)

ITEMS	JULY 2023	AUG. 2023	SEPT. 2023	OCT. 2023	NOV. 2023	DEC. 2023	JAN. 2024	FEB. 2024	MAR. 2024	APR. 2024	MAY 2024	JUNE 2024	YTD TOTAL
WATER METERED													
Cubic Feet	10,476,000	13,790,400	10,695,300	11,162,700	9,273,100	-	-	-	-	-	-	-	55,397,500
Total SSCWD Gallons	78,360,480	103,152,192	80,000,844	83,496,996	69,362,788	-	-	-	-	-	-	-	414,373,300
WATER SOURCE													
Well #2 (Southside Road)	3,216,000	4,438,000	1,566,000	20,000	378,000	-	-	-	-	-	-	-	9,618,000
Well #5 (Ray Cir/Enterprise)	1,258,700	1,445,061	2,941,907	3,086,942	1,968,696	-	-	-	-	-	-	-	10,701,306
Well #7 (Enterprise Rd)	1,975,951	1,045,825	388,265	21,383	-	-	-	-	-	-	-	-	3,431,424
Well #8 (Ridgemark)	5,719,000	12,855,000	19,826,000	15,937,000	14,466,000	-	-	-	-	-	-	-	68,803,000
Well #11 (Southside Road)	6,753,000	7,344,000	3,044,000	62,000	2,783,000	-	-	-	-	-	-	-	19,986,000
Net Well Interflow	(9,713,600)	(8,573,700)	(4,803,100)	(3,773,700)	(6,170,000)	-	-	-	-	-	-	-	(33,034,100)
TOTAL from Wells	9,209,051	18,554,186	22,963,072	15,553,625	13,425,696	-	-	-	-	-	-	-	79,505,650
Lessalt W.T.P. I (High Zone)	30,051,000	41,453,000	32,734,000	39,306,000	35,941,000	-	-	-	-	-	-	-	178,985,000
Lessalt W.T.P. I (Middle Zone)	13,037,000	16,620,000	12,880,000	14,828,000	13,590,000	-	-	-	-	-	-	-	70,955,000
West Hills W.T.P. (@ Well #2)	13,107,000	20,205,000	12,594,000	13,974,000	3,902,000	-	-	-	-	-	-	-	63,782,000
West Hills W.T.P. (@ Well #11)	25,764,000	31,979,000	21,927,000	27,068,000	18,799,000	-	-	-	-	-	-	-	125,537,000
West Hills W.T.P. (@ COH #2)	13,670,000	1,296,000	12,780,000	22,509,000	19,715,000	-	-	-	-	-	-	-	69,970,000
West Hills W.T.P. (@ COH #4)	22,709,000	14,146,000	8,998,000	3,185,000	24,178,000	-	-	-	-	-	-	-	73,216,000
West Hills W.T.P. (@ COH #5)	22,634,000	13,998,000	26,450,000	41,595,000	24,194,000	-	-	-	-	-	-	-	128,871,000
Net Surface Interflow	8,933,370	16,839,758	14,319,129	18,346,000	(18,269,071)	-	-	-	-	-	-	-	40,269,184
TOTAL Surface Water (Plant Production)	149,906,370	196,536,758	142,382,129	180,911,000	122,089,929	-	-	-	-	-	-	-	751,585,186
SSCWD % of Plant Production	54.67%	70.44%	56.01%	52.61%	59.18%	0	0	0	0	0	0	0	58.44%
Estimated Water Gain(Loss)	(12,807,571)	(25,658,994)	(22,597,228)	(27,032,629)	(16,294,908)	-	-	-	-	-	-	-	(104,391,330)
Percent Difference	-8.05%	-14.65%	-13.68%	-13.77%	-12.03%	-	-	-	-	-	-	-	-12.56%
Water Consumption Per Customer	10528	13861	10740	11179	9289	-	-	-	-	-	-	-	11119
Blend - % Surface	89.90%	85.60%	77.62%	86.11%	84.33%	-	-	-	-	-	-	-	84.71%
Chemical, Carbon, Water PAF	1390	1351	1319	1288	\$0	-	-	-	-	-	-	-	1337
Blend Budget Impact	\$95,5916	\$83,050	\$50,692	\$93,355	\$0	-	-	-	-	-	-	-	\$322,693
Cost of Water Produced (Per Acre Foot)	3,526	2,755	3,303	4,383	-	-	-	-	-	-	-	-	2,873
Prior YTD Cost	2,666	2,445	3,115	3,970	4,342	5,073	4,324	3,128	3,406	7,175	3,740	4,649	3,795

(SSCWD Raw Water & Power increased \$110M May 2022, \$334 May 2023)

Chart Includes: Only Water Metered to SSCWD Customers,
Chart Does Not Include: COH Interties Wholesale Water Flow

FY24 Metered Water



Sunnyslope County Water District

STATEMENT OF INCOME
FOR THE FISCAL YEAR ENDING JUNE 30, 2024 (This Year)
UN-AUDITED 12/11/2023

*** WATER ***	Sep-23	Oct-23	Variance Over / (Under) Prior Month	Sep-22	Oct-22	YEAR- TO-DATE	PRIOR YEAR-TO- DATE	PROJECTED 23/24 ACTUAL	FY 23/24 BUDGET
OPERATING REVENUES									
Water Sales	683,823	710,434	26,611	710,228	699,927	2,922,140	2,594,847	7,298,370	7,465,000
Contracted Services	279,320	358,537	79,216	173,947	209,947	1,320,501	840,518	4,261,000	4,261,000
Installation Fees	-	9,315	9,315	7,290	-	15,390	7,695	83,320	-
Late Fees	9,212	6,211	(3,000)	9,832	10,811	28,703	35,810	53,470	-
Other Revenue	13,067	41,640	28,573	10,465	14,151	82,106	46,709	710,413	228,220
TOTAL OPERATING REVENUES	985,422	1,126,137	140,715	911,762	934,837	4,368,840	3,525,579	12,406,573	11,954,220
OPERATING EXPENSES									
Salaries and Benefits	(229,076)	(237,603)	(8,527)	(245,704)	(259,492)	(960,550)	(952,010)	(2,826,211)	(2,660,460)
Operating Expenses	(861,074)	(1,244,005)	(382,931)	(714,564)	(780,055)	(4,013,961)	(2,830,361)	(11,347,893)	(12,051,637)
TOTAL OPERATING EXPENSES	(1,090,151)	(1,481,608)	(391,458)	(960,268)	(1,039,547)	(4,974,511)	(3,782,372)	(14,174,104)	(14,712,097)
NET OPERATING INCOME	(104,728)	(355,471)	(250,743)	(48,506)	(104,710)	(605,670)	(256,793)	(1,767,531)	(2,757,877)
NON OPERATING INCOME & (EXPENSES)									
Capacity Fees	-	322,575	322,575	248,400	-	531,825	262,200	531,825	-
Donated Asset	-	-	-	-	-	-	-	-	-
Miscellaneous Income (Farm Labor Camp)	-	-	-	-	-	-	-	-	-
Adjust LAIF Investment to Fair Value	-	-	-	-	-	-	-	-	-
Interest Income	17,760	32,548	14,788	5,539	25,230	109,416	53,313	328,249	500,000
Allocated from G & A (Interest & Sale of Assets)	32,387	8,245	(24,142)	5,716	4,070	93,389	9,658	280,167	21,000
Other Non-Operational	-	-	-	(1,321)	(1,931)	-	(3,366)	-	-
TOTAL NON OPERATING INCOME & (EXPENSES)	50,147	363,368	313,222	258,334	27,369	734,630	321,805	1,140,240	521,000
NET WATER INCOME (LOSS)	\$ (54,582)	\$ 7,897	\$ 62,478	\$ 209,828	\$ (77,341)	\$ 128,960	\$ 65,013	\$ (627,291)	\$ (2,236,877)
NET WATER INCOME (LOSS) Adjusted for Non Budgeted Items	\$ (104,728)	\$ (355,471)	\$ (250,743)	\$ (49,828)	\$ (106,641)	\$ (605,670)	\$ (260,158)	\$ (1,767,531)	\$ (2,757,877)

Sunnyslope County Water District

STATEMENT OF INCOME
FOR THE FISCAL YEAR ENDING JUNE 30, 2024 (This Year)
UN-AUDITED 12/11/2023

	Sep-23	Oct-23	Variance Over / (Under) Prior Month	Sep-22	Oct-22	YEAR- TO-DATE	PRIOR YEAR-TO- DATE	PROJECTED ACTUAL	FY 23/24 BUDGET
*** WASTEWATER ***									
OPERATING REVENUES									
Sewer Sales	163,770	162,078	(1,692)	175,854	175,644	653,221	643,912	2,048,857	2,205,000
Contracted Services	33,333	254,092	220,758	137,497	35,154	351,874	242,958	523,300	523,300
Installation Fees			-			-	-	-	
Late Fees	1,227	1,467	239	2,458	2,732	5,183	10,098	9,327	56,880
Other Revenue	3,341	3,379	37	4,065	2,117	12,986	12,902	37,258	
TOTAL OPERATING REVENUES	201,671	421,015	219,343	319,874	215,646	1,023,264	909,869	2,618,742	2,785,180
OPERATING EXPENSES									
Salaries and Benefits	(70,998)	(52,154)	18,844	(51,532)	(30,835)	(227,523)	(172,084)	(821,233)	(843,040)
Operating Expenses	(77,923)	(229,938)	(152,015)	(219,065)	(94,726)	(559,643)	(542,177)	(1,559,609)	(1,439,275)
TOTAL OPERATING EXPENSES	(148,921)	(282,092)	(133,171)	(270,598)	(125,561)	(787,166)	(714,261)	(2,380,842)	(2,282,315)
NET OPERATING INCOME	52,750	138,923	86,173	49,276	90,085	236,098	195,609	237,900	502,865
NON OPERATING INCOME & (EXPENSES)									
Capacity Fees			-			124,625	-	124,625	
Miscellaneous Income			-			-	-	-	
Adjust LAIF Investment to Fair Value			-			-	-	-	
Interest Income	6,502	4,360	(2,142)	376	5,706	18,262	6,859	18,262	40,000
Allocated from G & A (Interest & Sale of Assets)	82,821	2,108	(80,713)	(534)	(295)	97,040	(341)	97,040	9,000
Other Non-Operational			-			-	(564)	-	-
TOTAL NON OPERATING INCOME & (EXPENSES)	89,322	6,468	(82,854)	(158)	5,411	239,926	5,955	239,926	49,000
NET WASTEWATER INCOME (LOSS)	142,072	145,391	3,318	49,118	95,497	476,025	201,563	477,826	551,865
NET WASTEWATER INCOME (LOSS)	\$ 52,750	\$ 138,923	\$ 3,318	\$ 48,742	\$ 90,085	\$ 236,098	\$ 195,045	\$ 237,900	\$ 502,865
<i>Adjusted for Non Budgeted Items</i>									

	Sep-23	Oct-23	Variance Over / (Under) Prior Year	Sep-22	Oct-22	YEAR- TO-DATE	PRIOR YEAR-TO- DATE	PROJECTED ACTUAL	FY 23/24 BUDGET
*** WATER & WASTEWATER ***									
*** COMBINED INCOME (LOSS) WATER & WASTEWATER ***	87,491	153,288	65,797	258,946	18,156	604,984	266,576	(149,464)	(1,685,012)
*** COMBINED INCOME (LOSS) WATER & WASTEWATER	\$ (51,978)	\$ (216,549)	\$ (164,570)	\$ (1,085)	\$ (16,556)	\$ (369,572)	\$ (65,113)	\$ (1,529,631)	\$ (2,255,012)
<i>Adjusted for Non - Budgeted Items</i>									

Sunnyslope County Water District
Investment Summary
2023 / 2024 (This Year)

BANK ACCOUNT	INTEREST RATE	JULY 2023	AUGUST 2023	SEPTEMBER 2023	OCTOBER 2023	NOVEMBER 2023	DECEMBER 2023	JANUARY 2024	FEBRUARY 2024	MARCH 2024	APRIL 2024	MAY 2024	JUNE 2024	JUNE 2023
<u>Heritage Bank of Commerce</u>														
CHECKING ACCOUNT	0	1,593,120	1,606,042	2,196,208	1,879,151									2,040,106
Operating - General Fund		1,593,120	1,606,042	2,196,208	1,879,151									2,040,106
CHECKING SUBTOTAL														
MONEY MARKET ACCT (MMA)	0.75%	90,661	90,776	90,830	90,890									90,661
Invested - General Fund		90,661	90,776	90,830	90,890									90,661
MMA SUBTOTAL														
<u>L. A. I. F.</u>														
(Local Agency Investment Fund)	As of: Sep 2023													
General Fund	3.48%	-4,173,662	-4,173,662	-4,173,662	-4,173,662									-4,104,152
Water Connect. Fee	3.48%	0	0	0	0									0
Sewer Connect. Fee	3.48%	0	0	0	0									0
SRF Loan Reserve	3.48%	774,890	774,890	782,041	782,041									774,890
Board Designated Reserves	3.48%	7,910,911	7,910,911	7,945,400	7,945,400									7,910,911
L.A.I.F. SUBTOTAL		4,512,138	4,512,138	4,553,778	4,553,778									4,581,649
<u>CEPPT</u>														
(CA Employee Pension Plan Trust)														
Employee Pension Reserve	0	1,000,000	1,000,000	1,000,000	1,000,000									1,000,000
CEPPT SUBTOTAL		1,000,000	1,000,000	1,000,000	1,000,000									1,000,000
<u>MBS Securities</u>														
(CD Brokerage - Water Capacity Funds)														
General Fund	4.00%	3,326,368	3,473,795	3,574,001	3,679,171									3,442,907
Board Designated Reserves	4.00%	436,010	440,970	445,666	450,970									403,709
Water Connect. Fee	4.00%	11,292,180	11,218,349	11,137,332	11,071,162									11,259,801
Sewer Connect. Fee	4.00%	1,485,983	1,489,265	1,491,615	1,495,975									1,357,257
MBS SUBTOTAL		16,540,541	16,622,379	16,648,614	16,697,278									16,463,673
GRAND TOTAL		23,736,460	23,831,336	24,489,431	24,221,097									24,176,089
* TOTAL INTEREST RECORDED	YTD Total	49,929	36,760	67,928	48,719									449,333

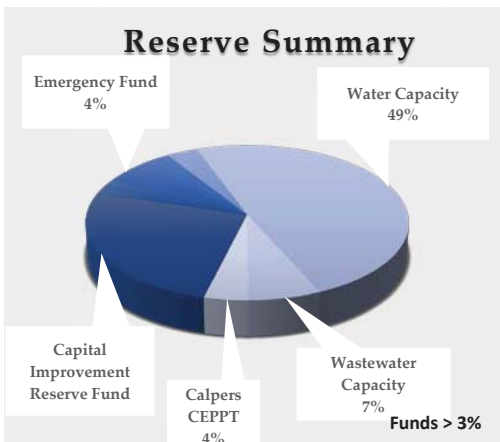
Sunnyslope County Water District

Reserve Summary As of October 31, 2023 (Policy #8600)

	<u>10/31/2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Change</u>
1 Capital Improvement Reserve Fund	\$ 5,804,076	\$ 31,453		\$ 5,772,624	\$ 5,863,936	\$ (91,312)
2 Rate Stabilization Fund	250,000		-	250,000	250,000	\$ -
3 Drought Contingency Reserve	500,000			500,000	500,000	-
4 Emergency Fund	1,000,000			1,000,000	1,000,000	-
5 Vehicle Replacement Fund	417,781	19,649		398,132	348,078	50,054
6 Office and Misc. Equipment Replacement Fund	424,512	3,648		420,864	418,845	2,019
Board Designated Reserves	8,396,369	54,749	-	8,341,620	8,380,859	(39,239)
7 CSWRCB Loan	782,040	7,151		774,889	760,000	14,889
8 Water Capacity	11,071,162	206,252	394,891	11,259,801	11,410,006	(150,205)
9 Wastewater Capacity	1,495,974	138,717		1,357,257	1,320,135	37,122
10 Calpers CEPPT	899,643			899,643	640,401	259,242
Legally Restricted Reserves	14,248,819	352,120	394,891	14,291,590	14,130,542	161,048
TOTAL	\$ 22,645,188	\$ 406,869	\$ 394,891	\$ 22,633,210	\$ 22,511,401	\$ 121,809
Unreserved Cash	\$1,575,908.79					
Percentage of Total Capital Assets	42.96%					

Detailed Transactions:

Depr. Expense	\$ 16,000		\$ 461,194
Board Authorized Changes to Policy #8600	\$ -		\$ 5,729,257
Interest	\$ 169,197		\$ 25,685
Debt Amortization		394,891	\$ (1,184,682)
Water Capacity Fees	97,050		\$ 6,087,125
Sewer Capacity Fees	124,625		\$ 1,299,000
CEPPT Funding			\$ 1,000,000
Fixed asset Additions	-		\$ (483,314)
Fair Market Value & Misc Adj	(3)	-	\$ (610,420)
	\$ 406,869	\$ 394,891	\$ 12,323,845



Board Approved Disbursement Analysis

Date:	Description:	Vendor	Resolution	# Actual
1/19/2021	Audit (FY21,FY22 & FY 23)	Mc Gilloway	76,160	75,890
2/21/2023	Rate Study	Raftelis	110,502	57,281
11/15/2022	Promontory Amendment 2	Century Homes	110,000	110,000
4/18/2023	Best Road Initiative	Wallace Group	40,000	42,282
2/28/2023	Solar Project - SBR	Eva Green Power	1,300,000	614,107
2/28/2023	Solar Project - Lessalt	Eva Green Power	39,131	3,958
6/20/2023	Itron Meters	Meter Valve & Cc	107,000	0
6/20/2023	Temetra	Meter Valve & Cc	412,000	123,005
8/15/2023	Demographics	LGDR	40,000	0
8/15/2023	Trucks	Greenwood	130,000	0
8/15/2023	VOIP	Exceedio	16,178	0
9/19/2023	Hydroflush IWWTP	Green line	22,000	0
9/19/2023	Itron Meters	Meter Valve & Cc	357,000	87,676
10/17/2023	Vacon Truck	MM Equip Inc.	530,000	526,095

Staff Report

Agenda Item: H – 5a

DATE: December 13, 2023 (December 19, 2023, Meeting)

TO: Board of Directors

FROM: Water/Wastewater Superintendent, Jose J. Rodriguez

SUBJECT: Superintendent Monthly Status Report: a. Maintenance, b. City Meter Reading, and c. Groundwater Level Measurement.

Narrative

1. All three water reports were completed and submitted on time by November 10, 2023.
2. Four representatives of the Division of Drinking Water conducted their routine water treatment plant inspections. Both Sunnyslope County Water District and San Benito County Water District had representatives participate in the tour.
3. Westhills WTP and Lessalt WTP are now treating 2.5 MGD and 1.8 MGD, respectively. In the month of November, Westhills WTP produced a total of 74.41 million gallons with Lessalt WTP producing 50.784 million gallons. The total acre foot produced in November 2023 was 384.206-acre feet with a balance of 2189.988-acre feet available for the 2023-2024 year.
4. Both Lessalt WTP and Westhills WTP's continue to utilize the Computer Maintenance Management System (CMMS) to better manage treatment facilities equipment and document preventative maintenance activities. A total of 182 Work Orders were completed by Sunnyslope staff between the two facilities. This is 1 more work order than done in November of 2022.
5. The district staff has several operators with background in construction, electrical and laboratory which are valuable to the district. Kevin Castro and Dave Padilla have previous experience in construction which make it possible for projects to be completed in-house rather than being outsourced. Kevin and Dave removed, prepared, framed, and poured a new cement pad around a fire hydrant. The work done stabilizes the hydrant to the distribution pipe by minimizing vibration, it also makes it safer for nearby vehicles driving in this area. Additionally, it's more aesthetically pleasing to the nearby residents.
6. Lessalt WTP completed another Granular Activated Carbon (GAC) exchange in November. With the winter approaching it is anticipated that the water treatment plant production will be reduced between 1.1 mgd and 1.5 mgd which in turn will not require frequent exchanges. GAC exchanges are required as the filter removal efficiency declines to maintain Total Organic Carbon as low as possible to minimize the production of TTHM's in the distribution systems.
7. The district received the new VacCon truck. SSCWD logos were put on the truck. Municipal Maintenance Equipment (MME) provided training to all Class A staff and answered any questions they may have had regarding operation.

In addition to the daily, weekly & monthly work schedule, our maintenance personnel also performed these additional special work projects.

Water (6) November 2023

1. Removed broken and cracked cement pad for fire hydrant on Southside and Southside Road. Poured new cement.
2. Staff attended Vaccon Training provided by Adam from MME. The training is beneficial for staff to stay up to date with methods, techniques, and new attachments for the VacCon truck.
3. Flushed all transducers at wells and tanks. Preventative maintenance on these transducers increases reliability in equipment and minimizes the unnecessary after hours call outs.
4. Continued clearing weeds around district facilities.
5. Replaced leaking service lines and saddles at 1300 & 1310 Ramona Ave.
6. Cleaned or replaced Y-Strainers on pressure relief valves at wells and pressure regulating valves at Pressure Relieve Valves (PRV) stations.



Project Location	: Southside Road Hydrant
Project	: Repair broken cracked cement pad
Department	: Utilities/Maintenance Department
Description	: The fire hydrant is used daily to check chlorine residual. The original pad did not have proper reinforcement causing it to crack and making it unstable. Staff removed the old pad and framed new concrete pad. New pad is properly reinforced w/rebar.

LESSALT Water Treatment Plant (11)

1. Changed the oil, oil filter, oil separator and oil reservoir rubber feet on compressor #1 and #2.
2. Changed leaking hose on high zone pumps #1 and #3.
3. GAC carbon exchange on GAC filter #2 with Calgon.
4. Brian Mailey replaced fan and contactor on compressor #2.
5. Clean In Place (CIP) all three CMF units. CIP cleanings are routinely required to remove any scaling and other build-up from developing on the membranes.
6. Cleaned all turbidity meters.
7. Cleared and cut weeds around the plant.
8. Replaced low pressure air regulator on CMF #3.
9. Department of Drinking Water DDW completed tour of plant. DDW conducts a routine tour every 3 to 4 years. They review plant operations; any changes made to the process and familiarize themselves with operations and other functions of the plant.
10. Replaced leaking back pressure valve on permanganate injector line.
11. Pulled, cleaned, and inspected permanganate injector, replaced worn parts.



Project Location	: Lessalt WTP and Westhills WTP
Project	: Department Of Drinking Water Plant Tours
Department	: Water Department
Description	: DDW conducted routine water treatment plant inspections. SBCWD and SSCWD staff were both in attendance for the 7-hour tour. Findings will be submitted to SSCWD staff at a later date.

West Hills Water Treatment Plant (12)

1. Replaced clear well sampling pump.
2. Cleaned all chemical skids.
3. Peroxide cleaned TOC analyzer.
4. Replaced all pH salt bridges.
5. Replaced PAC tank TSS probe.
6. Received shipment of PAC.
7. Emptied drying beds.
8. Pulled, cleaned, and inspected permanganate injector.
9. Rebuilt acid pump #2.
10. Installed vacuum breakers on all hose bibs.
11. Inspected and installed screens on all vents.
12. Brain Mailey inspected and lubricated raw water pump station automatic transfer switch.

Wastewater (3)

1. The district received their new VacCon truck.
2. Continued hydro-jetting collection system.
3. Pulled, cleaned, and inspected all three pumps at Paullus Lift Station.
4. Cleared weeds in and around Pond #5 at SBR for solar installation.



Project Location	: Sunnyslope County Water Collection System
Project	: Received Vac-Con Model VZ390LH/800
Department	: Utilities/Maintenance Department
Description	: SSCWD received approval to purchase and receive a VacCon Model VZ390LH/800. Vehicle was received and inspected. Training was provided Municipal Maintenance Equipment (MME).

Industrial Plant (4)

1. Took sludge depths in Pond #1 as requested by San Benito Foods.
2. Continued cutting, clearing, and spraying weeds around ponds.
3. Greenline cleaned line from cannery to industrial plant.
4. Video inspected several manholes between cannery and industrial plant to ensure tomato debris has been removed.



Project Location	: Industrial Wastewater Treatment Plant
Project	: Annual Sludge depths in primary Pond #1
Department	: Utilities/Maintenance Department
Description	: San Benito Food required SSCWD to perform annual sludge depth at the end of the season to see how much sludge was added to the pond. This data is used to determine the operational efficiency of the current plant processes.

Completed This Month	Job Descriptions	Completed YTD 2023 – 2024 July 1 to June 30	Completed 2022 – 2023 July 1 to June 30	Completed 2021 – 2022 July 1 to June 30	Completed 2020 – 2021 July 1 to June 30
240	Work Orders	1384	2480	2520	2469
13	Temporary Manual Read Water Meters Installed in New Construction Accounts	46	287	292	368
0	Radio Read Meters & ERTs Installed in New Construction Accounts	1	3	1	21
0	Total: Manual Read Meters Replaced with Radio Read Meters & ERT's, including Radio Meters Installed in New Construction Accounts	19 (Total = 7212)	268	300	282
13	Existing Radio Read Meters & ERTs Replaced with New Radio Read Meters & ERTs	100	247	309	322
2	Valves Exercised (Approx. 2674 in SSCWD System 3/2021)	173	528	487	721
32	Fire Hydrants Flushed (Approx. 938 in SSCWD System 3/2021)	141	537	342	749
13	Meters on Repair List	128	250	335	326
7	Emergency Calls	67	158	161	174
158	Locates on our Water/Sewer Lines	751	1512	1816	1732
0	Sewer Inspections	0	0	0	0
0	Shutoff Notices	0	0	0	0
2	Water Services Replaced	9 (Total = 955)	15	39	12

(3/2021 Update Valve and Fire Hydrant Count, Includes Santana Ranch pH 1, Villages, Tyler Knoll, Walnut Park, Creekside)



Hollister/Sunnyslope Intertie Water Balance

Report Date: December 1, 2023		to		November 15, 2023	
Current Consumption Period: October 16, 2023		to		November 15, 2023	
Intertie Location	Groundwater Flow to COH	Surface Flow to COH	Groundwater Flow to SSCWD	Surface Flow to SSCWD	to
	i n G a l l o n s				
Southside Road Intertie Water Total Flow	0	2,923,771			
Sunset & Memorial Water Total Flow	130,400	417,300	4,236,650		7,527,800
Sunnyslope & Memorial Water Total Flow	6,008,600	12,489,400	7,300		19,600
Hillcrest and Memorial Water Total Flow	17,500	100,800	100		1,100
Santa Ana & La Baig Water Total Flow	13,500	2,337,800			
Intertie Sub-Total Water Flow	6,170,000	18,269,071	4,244,050		7,548,500
<i>Total Combined Surface and Ground Water Intertie Flow</i>	24,439,071		11,792,550		
City of Hollister Well 2 Surface Water Total Flow (West Hills)		19,715,000			
City of Hollister Well 4 Surface Water Total Flow (West Hills)		24,178,000			
City of Hollister Well 5 Surface Water Total Flow (West Hills)		24,194,000			
Sunnyslope Well 2 Surface Water Total Flow (West Hills)					3,902,000
Sunnyslope Well 11 Surface Water Total Flow (West Hills)					18,799,000
Sunnyslope Surface Water Total Flow (LESSALT)					49,531,000
Surface Water Flow Sub-Totals		68,087,000			72,232,000
Ground Water and Surface Water Flow Totals	6,170,000	86,356,071	4,244,050		79,780,500
Current Period:	COH half of Surface Water Flow to Distribution (LESSALT & WH)		70,159,500		
	Net Ground/Surface Water Balance Owed to SSCWD (to COH)	1,925,950	8,648,071		
	Beginning Water Balance Owed to SSCWD (to COH)	788,626,850	-386,440,983		
	Gallons Billed to COH thru Report Date November 1, 2023	0		Informational Last Month Net Total	402,185,867
	Sub-total Ending Water Balance Owed to SSCWD (to COH)	790,552,800	-377,792,912	Net Sub Total	412,759,888
	Half of Total Gallons LESSALT Discharge to City of Hollister Wastewater Treatment Plant during the current consumption period			1,502,000	
	Exchange Factor; Half of the total gallons discharged to COH WWTP from LESSALT multiplied by a factor of 4				6,008,000.00
	Ending Water Balance Owed to SSCWD (to COH)	784,544,800	-377,792,912	Net Total	406,751,888

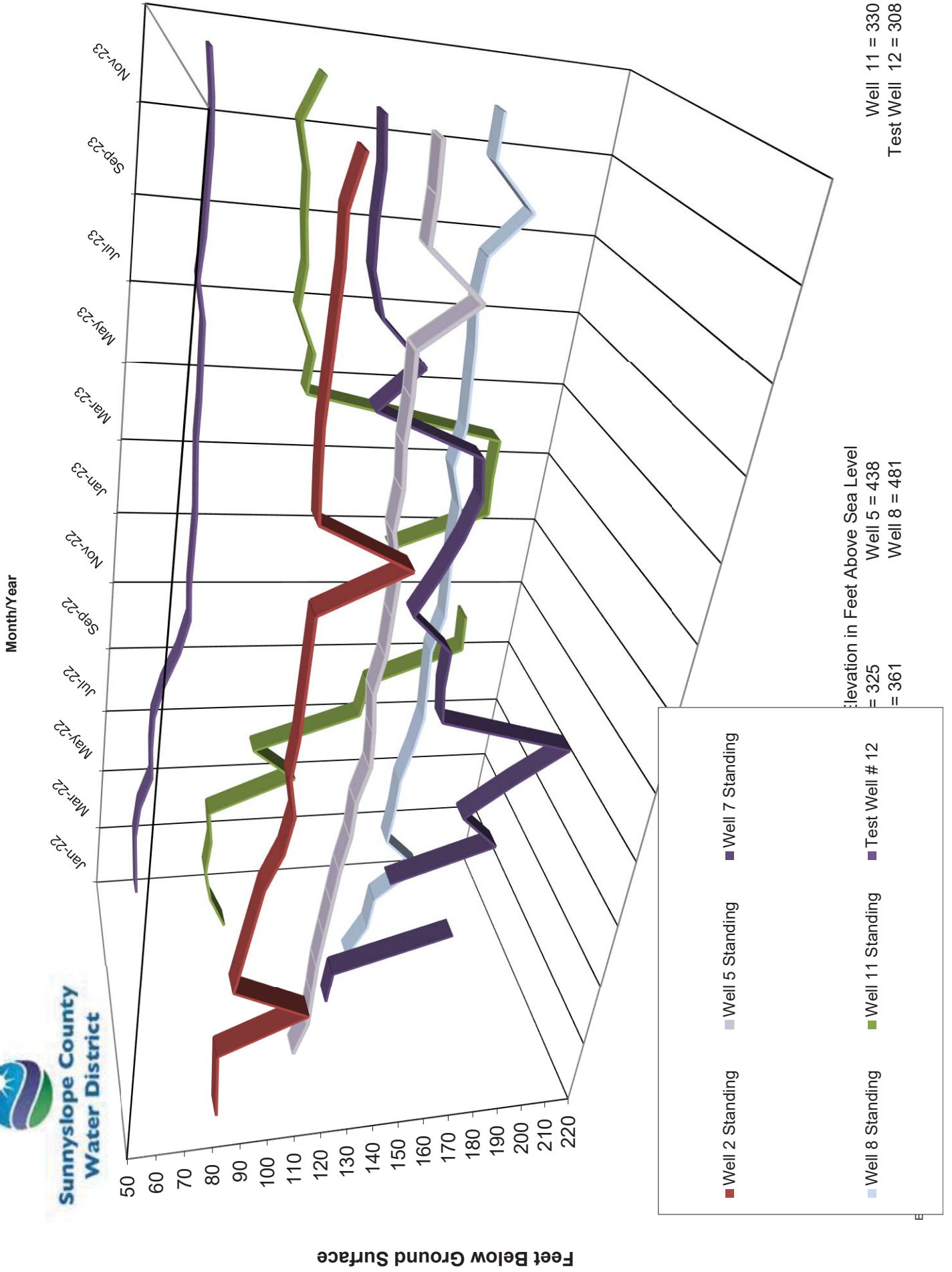
Current:	LESSALT WTP Total Flow to Distribution	49,531,000			
	Percent of LESSALT Surface Water Received	COH	#NAME?	SSCWD	#NAME?
Current:	COH half of LESSALT Total Flow to Distribution	24,765,500			
	Intertie Net Surface Water Total Flow to COH	10,720,571			
	Intertie Net Ground Water Total Flow to COH	1,925,950			
Current:	West Hills WTP Total Flow to Distribution	90,788,000			
	Percent of Surface Water Received	COH	75.0%	SSCWD	25.0%
Current:	COH half of West Hills WTP Total Flow to Distribution	45,394,000			
	West Hills WTP Surface Water Total Flow to COH	68,087,000			

From April 1, 2023 to Present					
YTD	LESSALT WTP Total Flow to Distribution	347,954,000			
	West Hills WTP Total Flow to Distribution	561,384,000			
	Surface WTPs Total Flow to Distribution	909,338,000			
	Total YTD Surface Flow to COH/SSCWD	COH	414,163,370	SSCWD	495,174,630
	Percent of Surface Water Received	COH	45.5%	SSCWD	54.5%

Depth to Standing Water Level Below Ground Surface



**Sunnyslope County
 Water District**



Staff Report

Agenda Item: H – 6

DATE: December 15, 2023 (December 19, 2023 Meeting)

TO: Board of Directors

FROM: General Manager, Drew Lander P.E.

SUBJECT: General Manager Monthly Status Report

ACTIVE TASKS:

1. **City Sewer Contract** – The Gavilan College Sewer extension has been approved by LAFCo. All agencies have approved the sewer service agreement as needed to serve sewer to Gavilan College. The schedule still anticipates Gavilan College connected to sewer by mid 2024.
2. **Cielo Vista Sewer Connection** – The Cielo Vista sewer connection is an important component to providing sewer to Gavilan College. An HOA meeting was held with the SSCWD GM and SBC Public Works Director presenting steps to connect Cielo Vista. At this time the project appears to be very positive for everyone involved. SSCWD directed Greenline Inc. in the neighborhood to clean and video the sewer lines. The infrastructure looks surprisingly good. The County will be funding all work needed to inspect and verify the condition of the Cielo Vista sewer system. Several meetings have been occurring between all stakeholders involved in this improvement path. A sewer rate model is being evaluated. When completed the rate will be proposed and returned to the board for approval and direction to notice the neighborhood next month.
3. **Solar Field Design** – The solar field installation is under construction.
4. **Permit Compliance** – Monthly water reports have been completed on time and no water violations were reported.
5. **Staffing** – The Assistant/Associate Engineering position remains open until filled.
6. **Razzolink Contract** – Razzolink completed install of their antenna at eh SBR facility. The contract is now active.

Staff Report

Agenda Item: H-7

DATE: December 15, 2023 (December 19, 2023 Meeting)

TO: Board of Directors

FROM: General Manager, Drew Lander P.E.

SUBJECT: Receive the ACWA/JPIA President's Special Recognition Award for Continuing to Maintain a Safe and Healthy Workplace. (Not a Project Under CEQA per Article 20, Section 15378)

RECOMMENDATION:

Receive the ACWA/JPIA President's Special Recognition Award.

BACKGROUND:

Accidents cannot always be avoided, however a workplace that provides the appropriate training, supervision, hazard mitigation investigations, and personal protective equipment (PPE), will provide a safe working environment. ACWA/JPIA rewards agencies who maintain safe work environments by reducing the cost of worker's compensation insurance.

SSCWD management has been working diligently to maintain a safe and healthy work environment. Managers encourage staff to report unsafe conditions and discussions are regularly conducted between management and staff to identify hazards and then take steps to reduce the concerns.

FISCAL IMPACT:

The Fiscal impact for maintaining a loss ratio of 20% or less is significant. A low experience modifier reduces the insurance premium that the District must pay to maintain worker's compensation insurance.

ENVIRONMENTAL IMPACT:

The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

Attachments:

ACWA 2023 President's Special Recognition Award



YOUR BEST PROTECTION

11/28/2022

ACWA JPIA

P. O. Box 619082
Roseville, CA 95661-9082

phone
916.786.5742
800.231.5742

www.acwajpia.com

President

E.G. "Jerry" Gladbach

Vice President

Melody A. McDonald

Chief Executive Officer

Walter "Andy" Sells

Executive Committee

Fred Bockmiller

David Drake

E.G. "Jerry" Gladbach

Cathy Green

Brent Haste

Chris Kapheim

Melody A. McDonald

Randall Reed

J. Bruce Rupp

Core Values

- People
- Service
- Integrity
- Innovation

Sunnyslope County Water District (S059)
3570 Airline Hwy
Hollister, CA 95023-9702

General Manager:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Sunnyslope County Water District (S059) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2023.

Sincerely,

A handwritten signature in black ink that reads "Melody McDonald".

Melody McDonald
President

Enclosure: President's Special Recognition Award(s)

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Sunnyslope County Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Workers' Compensation Program for the period 07/01/2018 - 06/30/2021
announced at the Board of Directors' Meeting in Indian Wells.*



November 28, 2022



Melody McDonald, President

Staff Report

Agenda Item: I-1

DATE: December 4, 2023 (December 19, 2023 Meeting)

TO: Board of Directors

FROM: Drew Lander, General Manager

SUBJECT: Take Appropriate Action To Elect A President And Vice-President Of The Board Of Directors, And President To Assign Director Duties To Standing District Committees For 2024. (Not A Project Under CEQA Per Article 20, Section 15378)

RECOMMENDATION:

Staff recommends the Board take appropriate action to elect a President and Vice-President of the Board of Directors, and the newly elected President will then assign Directors to standing District committees for 2024, including quarterly check signing duties.

BACKGROUND:

The Board of Directors annually elects one of the five Board of Directors to serve as the President of the Board and a second Director to serve as the Vice President of the Board. The new President of the Board then assumes the appointment and assigns Directors to serve on the four standing committees and fulfill rolls representing the Board at the Water Resources Agency meetings, on the Governance Committee, the Association of California Water Agency Joint Powers Insurance Authority, and to perform check signing responsibilities on behalf of the District on a quarterly basis. Director Dee Brown served as President and Director Ed Mauro has served as Vice President for 2023. The current committee assignments for the concluding year are as follows:

Finance Committee:

Directors: Mike Alcorn & Ed Mauro (Alternate – Jerry Buzzetta)

Staff: General Manager and Finance/HR Manager

The committee reviews all District Finance activities, investment, purchase, policies including Investment Recommendations, Budget, and Audit Review, & the West hills/Lessalt Budget Review.

Water & Wastewater Committee / Governance Committee:

Directors: Jerry Buzzetta & Jim Parker (Alternate – Ed Mauro)

Staff: General Manager and Associate Engineer

The committee reviews and provides direction for new and existing water and wastewater projects and programs including planning and construction phases. Meets with other government representatives

and private groups regarding joint project considerations. Attends the Governance Committee as it pertains to the Urban Areas Water/Wastewater Management Plan.

Employee & Personnel Committee:

Directors: Ed Mauro & Dee Brown (Alternate – Mike Alcorn)

Staff: General Manager and Finance/HR Manager

The committee reviews and advises on employee personnel policies. Actively participates in Employee Negotiations process and assessment of personnel issues as needed.

Policy and Procedures Committee:

Directors: Jim Parker & Jerry Buzzetta (Alternate – Dee Brown)

Staff: General Manager and Finance/HR Manager

This Committee reviews and recommends certain Policy and Procedures not related to other Committee Assignments and responsibilities.

Water Resources Agency:

Director: Mike Alcorn (Alternate – Jim Parker)

Staff: General Manager and Associate Engineer

The District's representative appointed to Water Resources Agency of San Benito County (WRA) Board of Directors. The participant WRA agencies are San Benito County Water District, City of Hollister, City of San Juan Bautista, and Sunnyslope County Water District. The WRA is a corroborative group that provides recommendations to respective member boards but cannot make direct decisions. This committee does oversee water conservation programs, salinity issues, and groundwater management practices.

ACWA/JPIA – Board Representative:

Directors: Dee Brown (Alternate – Mike Alcorn)

The District's representative attends the semi-annual JPIA board meetings and vote on behalf of the District.

District Check Signing Responsibility:

Directors: 1st Quarter – Jim Parker, 2nd Quarter – Mike Alcorn,
3rd Quarter – Ed Mauro, and 4th Quarter – Jerry Buzzetta

The Director assigned will come into the District Office and sign checks weekly and on special occasions as needed.

FISCAL IMPACT:

There is no financial impact of appointing Board Members as President, Vice President, and Directors to standing District committees.

ENVIRONMENTAL IMPACT:

The proposed action is not a project as defined by the California Environmental Quality Act per Article 20, Section 15378.

Staff Report

Agenda Item: I – 3

DATE: December 14, 2023 (December 21, 2023 Meeting)

TO: Board of Directors

FROM: General Manager, Drew Lander P.E.
Presentation by Holly Kennedy, HDR and Steve Wittry, SBCWD District
Manager

SUBJECT: Consider Accepting The San Benito Urban Areas Water Supply And Treatment Master Plan Update, Previously Referred To As The Water Supply Master Plan Update, As A Water Supply Plan Update Of The Hollister Urban Area Water & Wastewater Master Plan Prepared On Behalf Of The San Benito County Water District, City Of Hollister, And Sunnyslope County Water District.

RECOMMENDATION:

Staff recommends the Board accept the San Benito Urban Areas Water Supply And Treatment Master Plan Update prepared on behalf of the San Benito County Water District, City of Hollister, and Sunnyslope County Water District.

BACKGROUND:

The Hollister Urban Area Water and Wastewater Master Plan (Master Plan) was completed in 2008 and updated in 2017. The Master Plan provides a long-term vision for water, wastewater and recycled water management actions and infrastructure improvements to improve water quality and reliability. The Master Plan also identified the need for the region to begin preliminary work towards the development of additional long-term water supplies to serve the region in times of drought. Since 2008 and 2017 the projects identified in the Master Plan have been completed. The original Master Plan contemplated an update being necessary regularly and in 2017 the update identified future projects to meet water demand and quality objectives and has estimated costs and a schedule for recommended facilities. Because the recommendations are partly due to future water demands, the agencies agreed at that time to revisit the water demand forecasts in 3 years to determine if the recommended schedule of future projects is still accurate. COVID delayed the ultimate adoption of the most recent update, but the update of the Master Plan has been underway for a few years and is now complete and ready for the Board's acceptance. The consulting engineering firm HDR prepared the Master Plan Update. At previous updates, accepting the Master Plan did not commit Sunnyslope to any of the projects suggested in the plan except for those items specifically identified to be funded. The plan is intended to provide an important

guide for staff to consider future projects that will be brought to the Board at a future date for consideration and funding. Presently SBCWD has included \$100 per acre foot of raw water purchased in their water rates which is identified to fund the ADRoP project (discussed below). And an additional connection fee collected by SBCWD has been proposed to fund the B.F. Sisk Dam Raise (discussed below)

I August of 2021, SBCWD, SSCWD, City of Hollister, City of San Juan Bautista, and the County of San Benito Entered into a Memorandum of Understanding (MOU) agreeing to update the Master Plan in order to confirm water demand forecasts, identify preferred long-term water supply options and incorporate San Juan Bautista into the urban water supply planning. At the time of entering the MOU, the City of Hollister had begun a City General Plan Update and was addressing LAFCO issues related to wastewater services, as a result, the MOU states that the update will primarily address water supply. But keep in mind that the water supply issues are a direct result of wastewater effluent compliance goals. The goals found in the update are to ensure wastewater salinity targets are met to avoid fines and penalties from the Water Resources Control Board.

There are several projects identified and alternatives considered to achieve the water supply reliability goals. Two highly ranked alternatives identified are the Aquifer Storage and Recovery Project and the B.F. Sisk Dam Raise & Reservoir Expansion project. As forecast in the MOU, there are several grant opportunities that became available in 2022. Efforts were pushed forward to maximize attractiveness of the higher priority alternatives such as the Aquifer Storage and Recovery (ASR) project. The project was not significantly altered; however, phasing was introduced to allow the completion of work within the expected short grant delivery windows. Phase 1 of the ASR project has been termed the Accelerated Drought Response Project (ADRoP) and consist of upgrades to the West Hills Water Treatment Plant, conveyance pipelines and the installation of 5 water injection and recovery wells near the River Parkway and San Benito Streets. This project has received over \$13 million in State grants thus far, and SBCWD will continue to pursue additional Federal funding in the near future.

The B.F. Sisk Dam Raise & Reservoir Expansion project is a joint effort between various water agencies and the US Bureau of Reclamation. This project would achieve additional surface water storage at San Luis Reservoir. Other potential projects, such as the North Area Groundwater plan and the Pacheco Reservoir Project show strong potential and may be considered in future Master Plan updates.

On October 10, 2023, the Governance Committee received a presentation regarding the San Benito Urban Areas Water Supply And Treatment Master Plan Update, but at that time no recommendation was provided that each agency take the Master Plan Update back to their respective agency for acceptance. Staff encourages each of the participating agencies to review and consider acceptance of the plan and additional agreements should be prepared and circulated to discuss the funding mechanisms.

FISCAL IMPACT:

Accepting the Master Plan Update has no immediate fiscal impact, but SBCWD has already adopted additional water rates that are anticipated to fund the ADRoP and B.S. Fisk Dam Raise. The cost of the ADRoP fee is anticipated to cost SSCWD \$300,000 this year (\$100 per acre-foot X 3000 acre-feet of treated water distributed to SSCWD) which is to fund ADRoP project needs. The cost of the Master Plan Update has been funded in parts by each of the participating agencies.

ENVIRONMENTAL IMPACT:

The proposed action is statutorily exempt from the California Environmental Quality Act as defined by Article 18, Section 15262 of the CEQA Guidelines. Project specific environmental review will be required if projects identified in the Master Plan are pursued and construction is funded in future years.

Attachments: 1) San Benito Urban Areas Water Supply And Treatment Master Plan Update
2) Memorandum of Understanding – San Benito County Urban Area Water Supply Master Plan

FINAL DRAFT

San Benito Urban Areas Water Supply and Treatment Master Plan Update

City of Hollister, City of San Juan Bautista,
San Benito County, San Benito County Water
District, and Sunnyslope County Water District

October 10, 2023



Prepared under the responsible charge of

Holly Kennedy

C74682



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Executive Summary

The San Benito Urban Areas Water Supply and Treatment Master Plan Update (Master Plan Update) provides a comprehensive plan and implementation program to meet the existing and future water resources needs of the San Benito Urban Areas (SBUA). The master plan was first prepared in 2008, then updated in 2017. Since the last update, there have been changes in water use patterns, water supply (drought), development in the Hollister Urban Area (HUA) and the City of San Juan Bautista (SJB), as well as State of California water quality and groundwater sustainability regulations. This Master Plan Update has been prepared to reflect changes since 2017 and update the recommendations.

This executive summary provides an overview of the background, improvements completed since the 2017 Master Plan Update, and the recommended program described in this Master Plan Update.

ES-1 Background

The SBUA is located in San Benito County, California, approximately 50 miles southwest of the City of San Jose and 40 miles east of Monterey Bay. The 2008 Master Plan and 2017 Master Plan Update focused on the HUA, which includes the city of Hollister and its adjacent unincorporated areas of San Benito County designated for urban development. This Master Plan Update incorporates the City of San Juan Bautista into the study area.

The 2008 Master Plan established project opportunities for regional cooperation and coordination of water, wastewater, and recycled water facilities to serve the HUA. The 2017 Master Plan Update re-evaluated and updated these project opportunities with a decade of changed conditions. This Master Plan Update continues to plan to secure water supply and treatment capacity for SBUA's growing drinking water demand and to fulfill water quality objectives established in the Memorandum of Understanding (MOU; see below).

ES-1.1 Memorandum of Understanding

The 2008 Master Plan was initiated through the 2004 Memorandum of Understanding (2004 MOU) developed among the City of Hollister (City), San Benito County (County), and the San Benito County Water District (SBCWD). The 2004 MOU was subsequently amended in 2008 to include the Sunnyslope County Water District (SSCWD).

The 2004 MOU described the principles, objectives, and assumptions that formed the basis of the 2008 Master Plan, focusing on the following goals:

- ◆ Improve municipal, industrial, and recycled water quality.
- ◆ Increase the reliability of the water supply.
- ◆ Coordinate infrastructure improvements for water and wastewater systems.
- ◆ Implement the goals of the Groundwater Management Plan.
- ◆ Integrate recommendations of the Long-term Wastewater Management Plans with the Master Plan.

- ◆ Support economic growth and development consistent with the City of Hollister and San Benito County General Plans and Policies.
- ◆ Consider regional issues and solutions.

In 2009, the Coordinated Water Supply and Treatment Plan (Coordinated Plan) was completed. The purpose of the Coordinated Plan was to refine the water supply and treatment recommendations from the 2008 Master Plan.

The 2014 Memorandum of Understanding (2014 MOU) was developed among the City, County, SBCWD, and SSCWD to facilitate and guide the preparation of the 2017 Master Plan Update.

The 2014 MOU incorporated the principles, objectives, and assumptions from the 2004 MOU. In addition, the following issues were identified for evaluation in the 2017 Master Plan Update:

- ◆ Update water demand and wastewater flow projections.
- ◆ Review and evaluate previously identified long-term water supply options.
- ◆ Review drinking water goals for Total Dissolved Solids (TDS) and hardness.
- ◆ Review goals for recycled water TDS.
- ◆ Evaluate the need, timing, and estimated cost of the following facilities and activities:
 - Expansion of the West Hills Water Treatment Plant (WTP),
 - Crosstown Pipeline,
 - Groundwater Demineralization or Softening,
 - Modifications to and/or expansion of the City's Water Reclamation Facility and the SSCWD Ridgemark Wastewater Treatment Plant,
 - Expansion of the recycled water system, and
 - Major infrastructure improvements to the water distribution system and the wastewater collection system.

The 2014 MOU also reaffirmed the institutional framework and responsibilities of the Governance and Management Committees (see Section 1.1.3).

In 2021, SJB negotiated with SBCWD for better-quality surface water to blend with its local groundwater supplies to improve drinking water quality, as part of the plan to settle and resolve violations to environmental regulations. SJB had recently been fined by the U.S. Environmental Protection Agency (EPA) for exceeding wastewater discharge limits, which was partly a result of poor drinking water quality. SBCWD and SJB developed an MOU to prepare a feasibility study and preliminary design to provide SJB with treated surface water from the West Hills WTP. SJB subsequently signed on to the MOU to participate in this Master Plan Update.

ES-1.2 Related Planning Activities

Several recently completed or ongoing planning activities are related to this Master Plan Update. All work completed for this Master Plan Update was closely coordinated with these related planning activities, including the 2020 Hollister Urban Area Urban Water Management

Plan (UWMP), the recently completed Groundwater Sustainability Plan (GSP), and SJB's Water Master Plan. In addition, SBCWD actively engages with non-SBUA agencies for additional water supply or storage opportunities. There are two such ongoing projects: Valley Water's Pacheco Reservoir Expansion Project (PREP) and the U.S. Bureau of Reclamation's (USBR) B.F. Sisk Dam Seismic Retrofit and Raise Project. In addition, a Climate Change Strategic Plan was developed as part of this Master Plan Update to outline impacts of climate change to SBCWD's water supply and infrastructure. The plan also summarizes mitigation strategies and recommendations presented in the GSP and other climate change related planning activities. This plan is enclosed in Appendix B.

ES-1.3 Master Plan Update Objectives

This Master Plan Update considers both future water supply needs and water quality. The overall objectives of this Master Plan Update are the following:

- ◆ Provide continuous improvement toward achieving drinking water quality goals.
- ◆ Increase dry-year water supply reliability.
- ◆ Provide a reliable and sustainable water supply to respond to long-term growth needs.
- ◆ Coordinate with ongoing programs including SGMA related activities, and the supply of treated surface water to SJB.
- ◆ Continue to address water needs through coordinated regional solutions.

The emphasis for this Master Plan Update is on water supply and treatment. The wastewater and recycled water infrastructure will be addressed in a future update once the City of Hollister General Plan Update is complete, and the Local Agency Formation Commission issues related to the wastewater service area are resolved.

ES-1.4 Planning Period

The planning period for this Master Plan Update extends from 2021 to 2045. The initial year of the planning period was selected to provide a common baseline for data-related water supply and demand. The final year of the planning period coincides with the planning horizon of the 2020 UWMP.

ES-2 Improvements since 2017 Master Plan Update

After the 2017 Master Plan Update was completed, the agencies collaborated to successfully implement major water projects for the benefit of the HUA. Water conservation and other water-related programs have also continued.

ES-2.1 Water Supply Improvements

Through the 2012–2016 drought, SBCWD's primary surface water supply, imported water from USBR's Central Valley Project (CVP), was typically allocated at less than half the contracted baseline amount. In 2014, SBCWD renegotiated the baseline amount for its municipal and industrial (M&I) use, and that historical use value is now 8,250 AFY. Renegotiating the baseline was a key strategy that SBCWD used to improve the reliability of dry-year supply of imported

surface water for M&I use, as it is the key metric that USBR uses as a basis for supply allocations during a shortage condition.

SBCWD maintains groundwater basin health with both surface water percolation and treated wastewater percolation. Historically, surface water percolation has been challenging due to invasive Dreissenid (zebra) mussels, low CVP allocations, and/or limited local reservoir availabilities. Surface water percolation activities have resumed with recent attenuated hydrological constraints. In addition, an intertie was constructed to enable SBCWD to divert excess CVP water to the abandoned percolation ponds at the City's Water Reclamation Facility (WRF) for percolation.

ES-2.2 Water Treatment and Distribution

SBCWD now has a total of 6.5 million gallons per day (MGD) of treatment capacity between its two WTPs. The Lessalt WTP was upgraded in 2014 and has a capacity of 2.0 MGD and the West Hills WTP was completed in 2017 and has a capacity of 4.5 MGD.

Since the West Hills WTP was completed, two key projects were completed to expand the distribution of high-quality surface water and to support compliance with the State's anticipated hexavalent chromium maximum contaminant level (MCL). The Crosstown Pipeline extends West Hills WTP finished water to the middle zone of the HUA distribution system. The treated surface water blends with SSCWD groundwater supply that is high in hexavalent chromium. The second project includes bifurcations of the 20-inch transmission pipeline from the West Hills WTP to convey surface water for blending at City Well No. 2, City Well No. 4 and City Well No. 5, all of which are high in hexavalent chromium.

ES-3 Recommended Program

A comprehensive planning process was used in this Master Plan Update to develop and evaluate a wide range of alternatives for both water supply and water treatment facilities and programs. The results of the evaluation are summarized in the following subsections along with the recommended implementation program through 2045.

NOTE TO READER: Following the completion of the water supply analysis presented in this Master Plan Update, the scope of ASR Phases 1 and 2 was updated to facilitate the pursuit of federal and state grant funding opportunities and ultimately deliver the project on an accelerated timeline. Although the facilities and phasing of the ASR project were updated, the total projected supply generated by the overall ASR program remains unchanged. Referred to as ADRoP (Accelerated Drought Response Project), the first phase of the ASR program now relies on the expansion of the West Hills WTP for treatment of imported water prior to injection, whereas the original project included a new dedicated water treatment plant. The first phase is also anticipated to include three to five ASR wells, capable of injecting 1,600 acre-feet-per-year (AFY) to 2,700 AFY in wet years and generating an average annual yield of 650 AF to 1,035 AF. A more detailed description of ADRoP, including a full description of facilities, estimated cost and implementation schedule, is included in Appendix C.

ES-3.1 Water Supply Recommendations

The annual water demand is projected to increase from 5,560 AFY to approximately 9,190 AFY by 2035 and to approximately 12,500 AFY by 2045, an increase of approximately 6,940 AFY. The recommended priorities and actions for long-term water supply are summarized in Table ES-1. These recommendations include continuing ongoing programs and new projects requiring further investigation. All of the long-term water supply options should be retained as a menu of alternatives to contribute to a diverse and drought resilient water supply portfolio. Due to the inherent uncertainties in California water supply (drought, environmental constraints, regulations, etc.), it is prudent to maintain maximum flexibility in planning for long-term water supplies.

Table ES-1. Recommended Priorities and Actions for Long-term Water Supply Program

Description	Priority Level ¹	Estimated Average Annual Supply (AFY)	Recommended Action
Surface Water			
B.F. Sisk Dam Raise	3	1,500	Collaborate with USBR; Secure Storage Volume of 5,000 AF
PREP	4	TBD ²	Evaluate Appropriate Level of Engagement due to High Costs
Local Surface Water Storage	Future	TBD ³	Further Investigation Required
Groundwater			
ASR	1	1,000–2,190 ⁴	Conduct Pilot Study
North Area Groundwater	2	1,000–2,000 ⁵	Complete Feasibility and Environmental Studies
Ongoing Programs			
Water Conservation	1	— ⁶	Continue Existing Program
Imported Surface Water	1	As Needed ⁷	Continue Existing Program
Semitropic Water Bank	1	Drought Supply ⁸	Continue Existing Program
Local Wells for Large Landscape Areas	1	— ⁹	Continue Existing Program

AF – acre-feet, AFY – acre-feet per year, ASR – aquifer storage and recovery, CVP – Central Valley Project, PREP – Pacheco Reservoir Expansion Project, TBD – to be determined, USBR – U.S. Bureau of Reclamation

1. Priority level from Table 4-8.
2. Negotiations are required to determine the appropriate level of engagement.
3. Further investigation of an expansion of Paicines, or other options, is needed to confirm feasibility and yield.
4. Requires a pilot study to confirm feasibility. Could be implemented in phases.
5. Preliminary investigations indicated up to 5,000 AFY during normal years and up to 2,000 AFY during dry years.
6. Significant reductions have already been achieved through regional efforts in water conservation. Further reductions to be determined based on the results of ongoing efforts.
7. Conversion of Agricultural CVP water to M&I, long-term transfers, and/or spot market purchases are needed to augment M&I CVP supplies to meet water quality goals.
8. Semitropic Water Bank enhances dry-year reliability, but water might not be available during critically dry years if water is not available to divert from San Luis Reservoir.
9. The demand for high quality water could be offset with this strategy. However, the volume of water has not been estimated.
10. The water supply options in Table ES-1 provide "building blocks" to meet the need for high-quality water. For example, the proposed aquifer storage and recovery (ASR) Phase 1 project could provide enough supply to meet the 2030 high-quality water need. If the ASR Phase 1 project reveals that ASR is not viable, then the North Area Groundwater project could be accelerated to provide that same increment of new supply.

The quantity and timing of additional high-quality water needs will depend on actual demand growth, hydrologic conditions (wet, normal, and dry years), and allocations of existing CVP supplies by USBR. Both the ASR and B.F. Sisk Dam Raise projects will improve the reliability of the existing CVP water by providing opportunities for long-term storage of excess CVP water during wet years. That water would then be available during dry years, when CVP allocations are curtailed.

During extended dry-year conditions, it might be necessary to relax the TDS and hardness goals. However, even during extended dry-year conditions, enough high-quality water supplies must be provided to meet the anticipated hexavalent chromium regulations.

ES-3.2 Recommended Water Supply and Treatment Facilities

Table ES-2 summarizes the recommended water supply and treatment facilities and improvements, which are limited to the facilities and improvements that are recommended for implementation through 2031. Improvements needed beyond 2031 should be revisited in a subsequent Master Plan Update, which should be completed no later than 2027. At that time, the actual growth in water demand and future projections, water quality requirements, feasibility of the ASR project, updated timelines for regional projects (e.g., B.F. Sisk Dam Raise), new regulations, and other factors can be reconsidered to develop recommendations and for appropriate scope and timing for facilities beyond 2031.

The first phases of the ASR project were subsequently revised in late 2022 to facilitate the pursuit of state and federal grant funding opportunities and ultimately deliver the ASR project on an accelerated timeline. Now, referred to as ADRoP, this first phase of ASR has a modified scope and accelerated schedule as compared to the original plan listed in Table ES-2. Appendix C presents a description of ADRoP, including a cost estimate and implementation schedule.

ES-3.3 Coordination with Related Planning Activities

Implementation of this Master Plan Update should be coordinated with other ongoing programs to provide opportunities for optimizing facility sizing, reducing costs, and obtaining outside financing. Some of the major ongoing programs for coordination include the following:

- ◆ Local Water Distribution System Master Plans and Infrastructure Investments
- ◆ Groundwater Sustainability Plan
- ◆ Valley Water's Pacheco Reservoir Expansion Project (PREP)
- ◆ Pajaro River Watershed Integrated Regional Water Management Program
- ◆ USBR's San Luis Reservoir Low Point Improvement Project
- ◆ USBR's B.F. Sisk Dam Seismic Upgrade and Dam Raise Project

Table ES-2. Estimated Costs, Schedule, and Actions for Recommended Facilities

Description ¹	Estimated Cost (\$M) and Timeframe				Total	Recommended Action
	2023	2024	2025	2026–2031		
Water Supply and Treatment WRF						
ASR Phase 1	5.3	0.9	0.9		7.1	Complete design and environmental studies
ASR Phase 2 ²			2.9	38.4	41.3	Complete Pilot Project and initiate design and environmental studies
B.F. Sisk Dam Raise ³	1.8	1.8	1.7	44.8	50.0	Collaborate with USBR and Secure 5,000 AF Storage
Imported Water ⁴	0.2	0.4	0.5	4.1	5.2	Purchase as needed to maximize production at West Hills WTP to meet water quality goals
Subtotal	7.3	3.1	6.0	87.3	103.6	
Water Transmission						
San Juan Bautista Pipeline	8.7	4.0			12.7	Confirm financing plans, design, and construct
Subtotal	8.7	4.0			12.7	
Total^{5,6}	16.0	7.1	6.0	87.3	\$116.3	

\$M – millions of dollars, AF – acre-feet, ASR – aquifer storage and recovery, CCI – Construction Cost Index, CIP – capital improvement program, City – City of Hollister, ENR – Engineering News-Record, mgd – million gallons per day, PREP – Pacheco Reservoir Expansion Project, SBCWD – San Benito County Water District, SJB – City of San Juan Bautista, SSCWD – Sunnyslope County Water District, USBR – U.S. Bureau of Reclamation, WTP – water treatment plant

Notes:

1. Costs are referenced to the ENR, San Francisco Bay Area CCI Index for February 2021, at 13,110.
2. ASR Phase 2 includes a 2.5 mgd WTP.
3. Costs provided by SBCWD. Project is reliant on state and federal partners.
4. Needed in the near term to maximize production of the West Hills WTP to meet system hardness goals. Costs estimated at \$1,200 per AF based on spot market purchases but could be lower if alternate imported sources are used (e.g., conversion of Ag CVP to M&I CVP).
5. Table does not include CIP costs for PREP, which should be added, if appropriate once the form of continued engagement is determined.
6. Table does not include CIP costs for water distribution system improvements for the City, SJB, or SSCWD.

ES-3.4 Water System Operations

The water distribution system for the HUA consists of the combined systems serving the City and SSCWD. SJB has a separate distribution system and independently operates several local groundwater production wells. Historically, the City and SSCWD have closely coordinated the operation of the HUA combined system. The HUA has been increasingly utilizing treated surface water from the West Hills WTP. To achieve the water quality goals, the SBUA will increasingly utilize treated surface water. Therefore, it is critical for the City, SJB, SSCWD, and SBCWD to cooperate in the efficient operation of the water supply and treatment and distribution facilities.

Cooperation regarding and coordination of system operations will be required to provide efficiencies and maximize the following benefits to consumers in the SBUA:

- ◆ Efficient use of limited high-quality water supplies
- ◆ Compliance with state and federal drinking water standards, especially the anticipated California hexavalent chromium limits
- ◆ Continued progress toward meeting TDS and hardness goals established for drinking water in the SBUA
- ◆ Continued compliance with waste discharge requirements for local wastewater treatment plants
- ◆ Production of Title 22 recycled water from the City's WRF for reuse by SBCWD for agricultural irrigation

To achieve these benefits, the 2013 System Operations Technical Memorandum should be updated to ensure efficient operation of new facilities and to incorporate facilities developed since 2013. Specifically, some of the issues to be addressed in the update should include the following:

1. Production scheduling for the Lessalt and West Hills WTPs for seasonal and daily flow variations.
2. Scheduling of well operations to complement treated surface water deliveries and provide comparable average run times for all wells.
3. Production scheduling for the new ASR WTP for various year types and seasonal variations. For example, it is expected that, during wet years, the ASR WTP would treat excess CVP for injection; during normal years, the ASR WTP would treat CVP water for distribution, in balance with the West Hills and Lessalt WTPs; and during dry years, the ASR WTP would treat recovered groundwater for distribution, if needed.

ES-3.5 Engineering

The technical work completed for this Master Plan Update provides a framework for water supply and water treatment facilities required through 2045. The locations presented in Figure ES-1 are conceptual, and final locations will be determined during future facilities planning and preliminary design work.

The next step in implementation will be to conduct engineering and related technical investigations for the recommended facilities. Engineering work would include facilities planning, preliminary design, design, construction management, and startup. Many of the proposed improvements will be phased, and the engineering work would be scheduled accordingly. Construction contract packaging should also be evaluated to provide the greatest opportunities for competitive bidding by contractors.

The San Juan Bautista Pipeline preliminary design is underway, and an initial feasibility study for the ASR project was completed as part of the Groundwater Sustainability Plan, which was submitted to the State in early 2022. An initial phase of the ASR project, referred to as ADRoP,

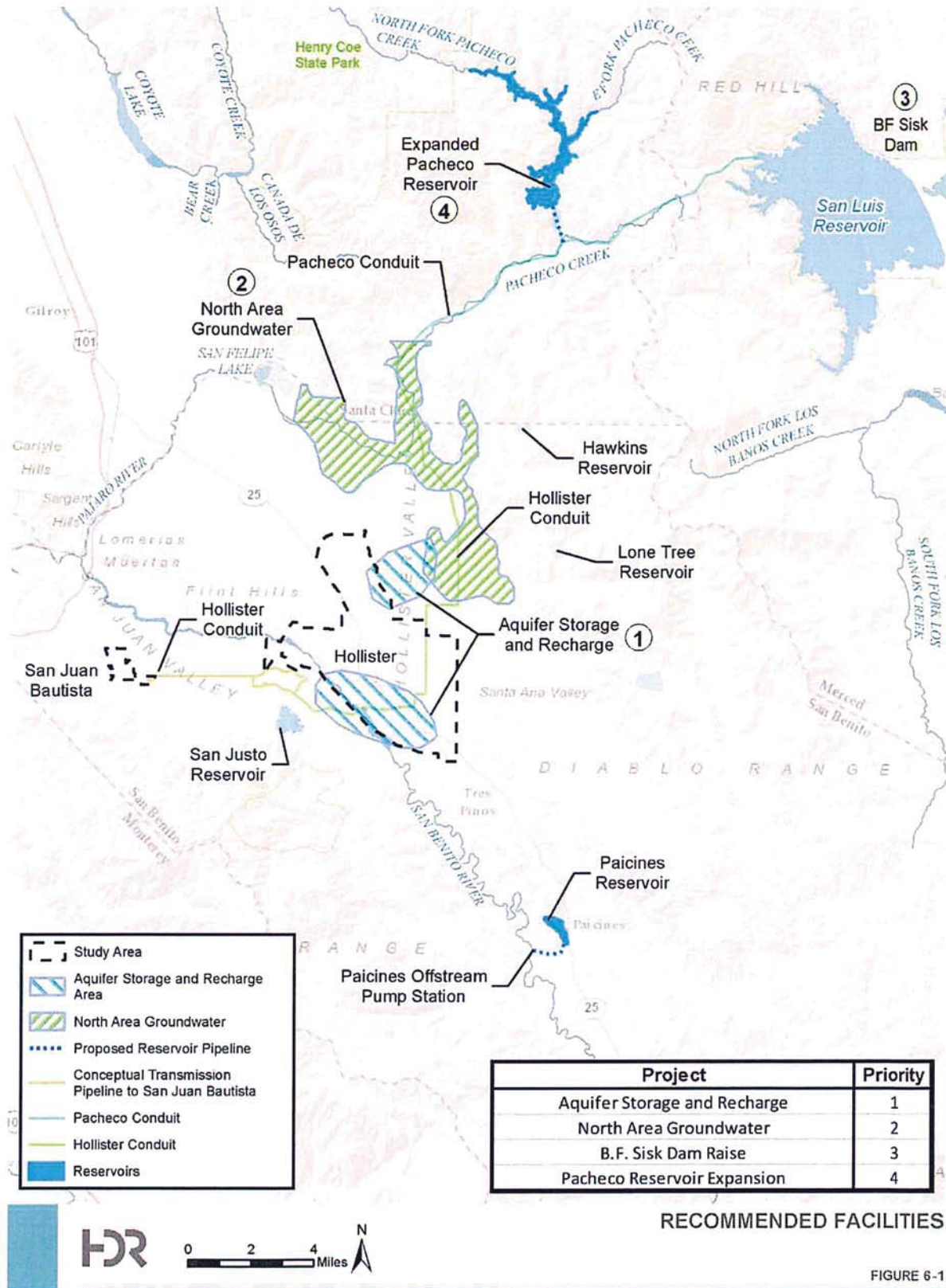


Figure ES-1. Recommended Facilities

is anticipated to rely on the expansion of the West Hills WTP for treatment of imported surface water prior to injection at an ASR wellfield. The location of the wellfield is conceptual. Actual well locations will need to be evaluated based on hydrogeological studies, infrastructure costs to convey water to the wellfield, available land, and environmental impacts, among other factors.

ES-3.6 Environmental Compliance

The recommended facilities will require environmental compliance with the California Environmental Quality Act (CEQA) to evaluate the environmental impacts of the projects. Project-specific compliance would be determined on a case-by-case basis for individual projects.

The region is known to be home to several federally listed species, including the California tiger salamander, California red-legged frog, and San Joaquin kit fox. As projects are developed, consideration should be given regarding how to minimize impacts to their habitat.

If federal grants or loans are used to pay for specific facilities, additional environmental review might be required to comply with the National Environmental Policy Act (NEPA). In addition, if federal facilities such as the Hollister Conduit are impacted, NEPA compliance might also be triggered.

ES-3.7 Permitting

Numerous federal, state, and local permits will also be required for implementation. The required permits will be identified during the preparation of the engineering predesign studies and environmental compliance documents. A permitting strategy should be developed to minimize project delays and potential mitigation costs.

ES-3.8 Institutional Agreements

Institutional agreements between and among agencies will be required to implement projects that provide joint benefits. Multiple institutional agreements are anticipated to be required to implement the recommended projects. The following agreements might be required:

- ◆ Update to the Water Supply and Treatment Agreement to add SJB and incorporate the new suite of projects.
- ◆ Update to operating agreements for the treatment plants to reflect a new cost allocation to include SJB.
- ◆ Agreement between SBCWD and SJB to construct and operate the San Juan Bautista Pipeline.
- ◆ Agreement between USBR and SBCWD to use the Hollister Conduit to receive concentrate from the ASR WTP, which would be blended with CVP water in the conduit to minimize overall water losses.
- ◆ Agreement with USBR and partner agencies to document storage volume and cost share in the B.F. Sisk Dam Raise.

- ◆ Update to the MOU between SBCWD and Valley Water for the PREP to record SBCWD’s status of participation going forward.
- ◆ Agreement between USBR and SBCWD to use the Hollister Conduit to transmit North Area groundwater (Warren Act).

ES-3.9 Financing

Recommended projects might be financed through local funding and/or state and federal grants and loans. Past projects, such as the Hollister Urban Area Water Project, have been implemented through a combination of local financing and state grants. Opportunities for outside financing (grants or loans) should be fully explored from state water programs and federal infrastructure funding.

For local financing, the agencies will need to update their financial plans and rate studies. Rate study updates should include a review of both rates and connection fees. For the recommended new water facilities, benefits and costs should be allocated to water quality improvements and growth. Staff from each water agency should meet periodically to discuss strategies to accommodate these new facilities and the status of their individual financing plans.

It is recommended that the projected water demands, facilities timing, and financing plan be reviewed in by 2027. This interim milestone would give the agencies the opportunity to verify actual trends in water demand growth and adjust the schedules for implementing and financing facilities as appropriate.

SBCWD has initiated efforts to pursue over \$30 million in grant funding from federal and state programs, including:

- ◆ Small Storage Grant Program by USBR
- ◆ Round 2 Integrated Regional Water Management (IRWM) Implementation Grant Program by California Department of Water Resources (DWR)
- ◆ Round 2 Sustainable Groundwater Management (SGM) Grant Program by DWR

If funds are awarded, the funding programs impose certain limits on the performance completion date which is when the funded project needs to be completed. With the performance due dates set as early as December 2026 and as late as March 2027, the original scope of the first phases of the ASR project was updated to facilitate the pursuit of grant funding. The updated ASR project, ADRoP, is described in further detail in Appendix C.

ES-3.10 Stakeholder Outreach

Stakeholder outreach has been an integral part of implementing past master plans. Continued successful implementation of the recommendations of this Master Plan Update will require a proactive approach to the various interest groups and stakeholders in the SBUA, including:

- ◆ General public,
- ◆ Local interest groups (business, environmental, and others),
- ◆ Regulatory agencies,

- ◆ City, County, SBCWD, SJB, and SSCWD elected officials and staff, and
- ◆ Regional interests outside San Benito County.

A first step in developing a responsive stakeholder outreach program would be to revisit the communications strategy that was previously implemented to support the upgrade of the Lessalt WTP and new West Hills WTP.

ES-3.11 Recommended Implementation Schedule and Next Steps

Implementing this Master Plan Update will require overall program and individual facilities activities. Some of the recommended projects are already in design or have advanced through the feasibility phase.

The next major infrastructure improvements would be completed through 2031. Table ES-3 summarizes the recommended projects and programs along with a timeline and responsibilities for implementation. It is also recommended that this Master Plan Update be updated no later than 2027. An update in this timeframe is necessary to adjust the recommendations for facilities beyond 2027 based on actual growth rates, progress made in program implementation, new regulations, and potential new issues and opportunities.

With the introduction of ADRoP, the first phase of the ASR project has been updated to include the West Hills WTP expansion to 6.75 mgd for treatment of imported surface water prior to injection. Full details of ADRoP are enclosed in Appendix B.

Table ES-3. Summary of Timing and Responsibility for Recommended Improvements

Description	Date	Responsible Agency
Water Supply		
Continue and/or Expand Existing Programs		
Continue Importing Surface Water	Ongoing	SBCWD
Renew Semitropic Water Agreement	Ongoing	SBCWD
Continue Water Conservation Program	Ongoing	WRA
New Programs		
Complete ASR Project Phase 1	2022–2024	City, SBCWD
Secure 5,000 AF of Storage in the B.F. Sisk Dam Raise Project	2022	SBCWD
Determine Appropriate Level of Continued Engagement in PREP	2022	SBCWD
Further Investigate Local Surface Water Supplies and Storage	2024+	SBCWD
Complete Feasibility and Environmental Studies for North Area Groundwater Supply	2024+	SBCWD
Water Treatment		
Confirm Treatment Requirements for the ASR Project	2022–2024	SBCWD
Expand West Hills WTP to 9 mgd	Future	SBCWD
Water Distribution		
Construct the San Juan Bautista Transmission Pipeline	2022–2024	SJB, SBCWD
Complete Additional Operations Studies and Modeling to Provide Uniform Distribution of High-quality Water	Ongoing	City, SJB, SSCWD
Implement CIPs for Water Distribution System Improvements	Ongoing	City, SJB, SSCWD
Updates to Planning Documents		
Update Water System Operations TM	2022	All Agencies
Complete Master Plan Update	By 2027	All Agencies

AF – acre-feet, ASR – aquifer storage and recovery, CIP – capital improvement program, City – City of Hollister, CVP – Central Valley Project, mgd – million gallons per day, PREP – Pacheco Reservoir Expansion Project, SBCWD – San Benito County Water District, SJB – City of San Juan Bautista, TM – Technical Memorandum, USBR – U.S. Bureau of Reclamation, WRA – Water Resources Association of San Benito County, WTP – water treatment plant

Notes:

Refer to Table ES-2 for estimated costs.

1 Introduction and Background

In 2008, the original Hollister Urban Area Water and Wastewater Master Plan (2008 Master Plan) was prepared to provide a long-term vision of water, wastewater, and recycled water management activities and infrastructure improvements for the Hollister Urban Area (HUA). The effort was a regional collaboration undertaken by local agencies including the City of Hollister, San Benito County, the San Benito County Water District, and the Sunnyslope County Water District under a Memorandum of Understanding (MOU).

In 2017, the 2008 Master Plan was updated with a decade of changes in water use patterns, economic activity, water supply (drought), development in the HUA, and State of California-mandated water quality regulations. This update, the Hollister Urban Area Water and Wastewater Master Plan Update, which was completed in 2017 (2017 Master Plan Update), refreshed water demand and wastewater flow projections, balanced supply portfolios to meet water quality objectives, and identified new capital improvement projects. The planning period was through 2035, and an update was recommended after 5 years.

Since 2017, the City of San Juan Bautista (SJB) has joined the MOU, drought conditions have continued, California adopted the Sustainable Groundwater Management Act, and the landscape of future water supply options has evolved. Given these changes, it is appropriate to update the 2017 Master Plan Update. This report, the 2022 San Benito Urban Areas (SBUA) Water Supply and Treatment Master Plan (Master Plan Update), provides water demand projections through 2045 and provides an updated strategy for near- and long-term water supply and treatment. Unlike the past master plans, this Master Plan Update focuses on drinking water supply and treatment planning. Wastewater and recycled water infrastructure will be updated in a future update.

Figure 1-1 illustrates the timeline of the development of previous master plans. The following subsections summarize the historical planning documents, describe ongoing planning efforts and programs, and present the objectives and scope for this Master Plan Update.

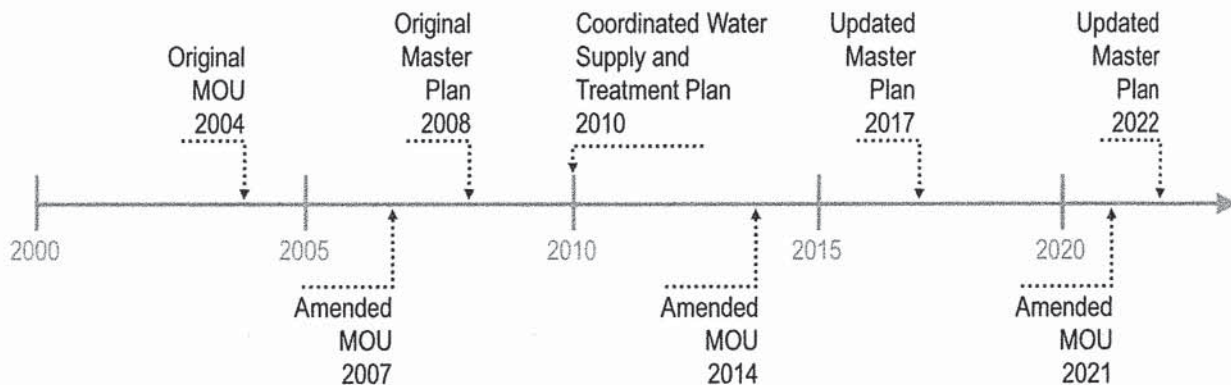


Figure 1-1. Major Milestones of Planning Development

1.1 2008 Master Plan

The 2008 Master Plan provided a comprehensive plan and implementation program to meet the existing and future water resources needs of the HUA. The 2008 Master Plan was a major milestone for regional cooperation and coordination of water, wastewater, and recycled water facilities.

1.1.1 2004 Memorandum of Understanding

The 2008 Master Plan was initiated through the 2004 Memorandum of Understanding (2004 MOU) developed among the City of Hollister (City), San Benito County (County), and the San Benito County Water District (SBCWD). The 2004 MOU was subsequently amended in 2008 to include the Sunnyslope County Water District (SSCWD).

1.1.2 Goals and Objectives

The 2004 MOU described the principles, objectives, and assumptions that formed the basis of the 2008 Master Plan and focused on the following goals:

- ◆ Improve municipal, industrial, and recycled water quality.
- ◆ Increase the reliability of the water supply.
- ◆ Coordinate infrastructure improvements for water and wastewater systems.
- ◆ Implement the goals of the Groundwater Management Plan.
- ◆ Integrate recommendations of the Long-term Wastewater Management Plans with the Master Plan.
- ◆ Support economic growth and development consistent with the City of Hollister and San Benito County General Plans and Policies.
- ◆ Consider regional issues and solutions.

1.1.3 Regional Approach and Agency Collaboration

The 2004 MOU also established the institutional framework for completing the 2008 Master Plan. A Governance Committee was established for overall direction, policy directives, and decision-making. The Governance Committee consists of two elected officials from each agency. A Management Committee was also established for day-to-day management and resolution of planning and technical issues. The Management Committee consists of one staff member from each agency and a program manager. This institutional framework enabled the agencies to work collaboratively in developing overall, regional solutions.

1.1.4 Planning Process

A comprehensive planning process was used to develop and evaluate a wide range of alternatives for integrated water resources management, as illustrated in Figure 1-2. The planning process involved establishment of the basis of planning, development of and initial screening of concepts, and final evaluation of alternative plans.

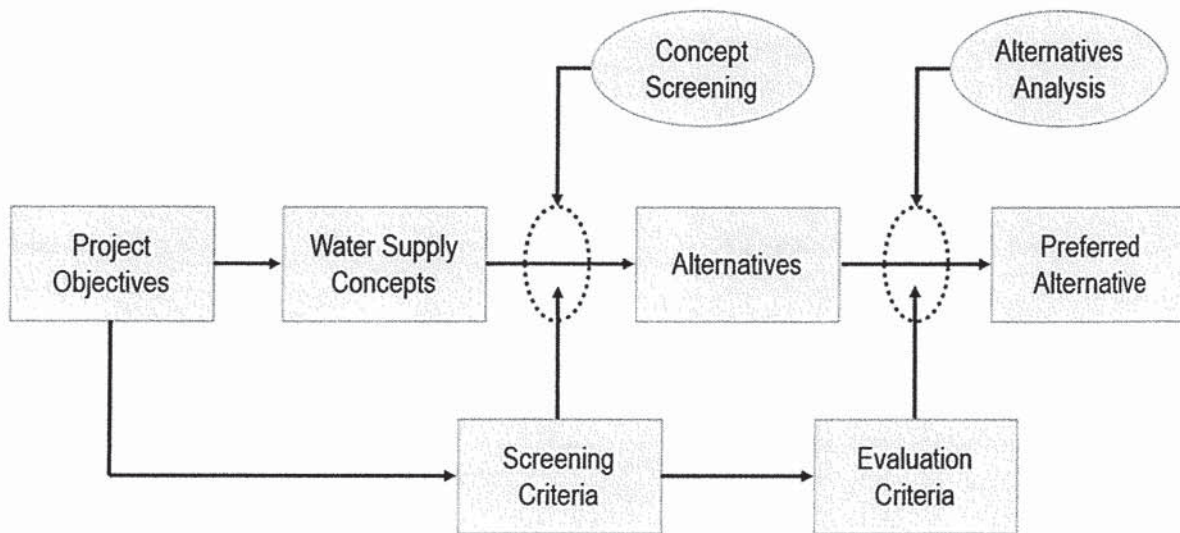


Figure 1-2. Comprehensive Planning Process

1.2 2009 Coordinated Water Supply and Treatment Plan

In 2009, the Coordinated Water Supply and Treatment Plan (Coordinated Plan) was completed. The purpose of the Coordinated Plan was to refine the water supply and treatment recommendations from the 2008 Master Plan. Water supply and treatment were determined to be the critical first step in the implementation program.

The Coordinated Plan recommended the following:

- ◆ Upgrade the existing Lessalt Water Treatment Plant (WTP).
- ◆ Construction of the new West Hills WTP.
- ◆ Firm up the existing imported municipal and industrial (M&I) surface water supply from the Central Valley Project (CVP).
- ◆ Further investigate a conjunctive-use project with local surface water supplies and groundwater in the North County area.

1.3 2014 Memorandum of Understanding

Because the goals of the 2008 Master Plan were largely achieved, the agencies recognized that a new MOU was needed to update the 2008 Master Plan and continue planning for the future. The 2014 MOU was developed among the City, SBC, SBCWD, and SSCWD to facilitate and guide this update.

The 2014 MOU incorporated the principles, objectives, and assumptions from the 2004 MOU. In addition, the following issues were identified for evaluation in the next master plan:

- ◆ Update water demand and wastewater flow projections.
- ◆ Review and evaluate previously identified long-term water supply options.

- ◆ Review drinking water goals for total dissolved solids (TDS) and hardness.
- ◆ Review goals for recycled-water TDS.
- ◆ Evaluate the need, timing, and estimated cost of the following facilities and activities:
 - Expansion of the West Hills WTP,
 - Crosstown Pipeline,
 - Demineralization or Softening at Municipal Groundwater Wells,
 - Modifications to and/or expansion of the City’s Water Reclamation Facility and the SSCWD Ridgemark Wastewater Treatment Plant,
 - Expansion of the recycled water system, and
 - Major infrastructure improvements to the water distribution system and the wastewater collection system.

The 2014 MOU also reaffirmed the institutional framework and responsibilities of the Governance and Management Committees.

1.4 2017 Master Plan Update

The 2017 Master Plan Update presented water demand and wastewater flow projections through 2035 considering economic, climate, and water usage changes since the 2008 Master Plan. The 2017 Master Plan Update addressed the issues identified in the 2014 MOU and recommended the following supply augmentation and facility expansion projects:

- ◆ Further investigate local surface water supply and storage.
- ◆ Complete feasibility and environmental studies for the North Area Groundwater Project.
- ◆ Identify a location for a new well with wellhead treatment in the north part of the City’s distribution system to provide high-quality drinking water and improve fire suppression flow.
- ◆ Expand the West Hills WTP to continue to improve the water quality of the municipal supply and to meet the demands of new connections.
- ◆ Connect City Wells Nos. 4 and 5 to the West Hills WTP transmission pipeline and construct the Crosstown Pipeline to extend the reach of high-quality water and address hexavalent chromium concerns.
- ◆ Add flow equalization at the City’s WRF to improve recycled water production.
- ◆ Expand the recycled-water distribution system to new customers, as needed.

Many of these projects have been completed, and the need and timing for those that have not been completed are further evaluated and updated in this Master Plan Update.

1.5 2021 Memorandum of Understanding

In 2020, SJB was fined by the U.S. Environmental Protection Agency (EPA) for violating discharge limits at its wastewater facility. The violations were in part due to the wastewater

influent being high in sodium, chlorides, and TDS concentrations. Such influent is a result of poor-quality water for domestic use. As part of the resolution and to reach settlement with the EPA, SJB evaluated options for higher-quality source water for its municipal customers and reached an agreement with SBCWD to divert treated water from the West Hills WTP.

The 2021 MOU continues the institutional collaboration among the City, SBC, SBCWD, and SSCWD, and adds SJB as a partner in future master plan updates and facility planning.

1.6 Related Planning Activities

Several recently completed or ongoing planning activities are related to this Master Plan Update. All work completed for this Master Plan Update was closely coordinated with these related planning activities.

1.6.1 2020 Hollister Urban Area Urban Water Management Plan

The 2020 HUA Urban Water Management Plan (UWMP) was prepared as a collaborative effort among the City, SSCWD, and SBCWD. The plan was prepared in accordance with the Urban Water Management Planning Act and guidelines prepared by the Department of Water Resources (DWR). The 2020 UWMP is intended to help guide the area's future water management efforts.

The plan builds on and updates the 2015 UWMP by accounting for changes in the California Water Code and local planning and water management efforts. Updates include the Drought Reliability Assessment, quantification of demand reduction of the Water Shortage Contingency Plan, and detailed consideration of supply reliability by source.

1.6.2 San Juan Bautista Water Master Plan

In November 2020, SJB published its Water Master Plan. The SJB Water Master Plan summarizes that the current water supply is largely groundwater and faces several water quality challenges. To meet future demands and to secure more-reliable and higher-quality water, the SJB Water Master Plan recommends constructing a transmission pipeline and associated facilities to connect SJB's distribution system to SBCWD's West Hills WTP. The Water Master Plan also provides an updated water demand projection through 2045 based on the latest land use information and consumption data.

1.6.3 City of Hollister Water Distribution System Master Plan

In 2018, the City completed the master planning of its distribution system. The plan addresses existing deficiencies in the water distribution system based on latest standards and requirements, addresses deficiencies in the distribution system to meet future build-out needs, and provides a prioritized capital improvement program and list of recommended projects. The plan revealed that several locations cannot meet 50 percent of the required fire suppression flow. These locations include East Street, Walnut Lane, and the industrial area surrounding the Hollister Municipal Airport.

1.6.4 Groundwater Sustainability Plan (GSP)

The Sustainable Groundwater Management Act (SGMA) of 2014 provides a process and timeline for sustainable management of groundwater basins by local agencies. The SGMA

applies to groundwater basins or subbasins designated by DWR as high or medium priority, such as the Hollister, San Juan Bautista, and Bolsa subbasins, which are managed by SBCWD. It requires establishing one or more Groundwater Sustainability Agencies (GSAs) that encompass a basin or subbasin, developing one or more Groundwater Sustainability Plans (GSPs), and achieving groundwater sustainability within 20 years.

The Hollister, San Juan Bautista, and Bolsa subbasins of the Gilroy-Hollister Basin have been ranked as medium priority and thus are subject to the SGMA. In addition, the adjacent Llagas subbasin of the Gilroy-Hollister Basin (Santa Clara County) has been ranked as high priority, and the Pajaro Valley Groundwater Basin (which overlaps Santa Cruz, Monterey, and San Benito counties) has been ranked as high priority. Moreover, the Pajaro Valley Groundwater Basin has been designated as critically over-drafted. This has important ramifications for preparing and implementing GSPs; specifically, GSPs for such over-drafted basins must be adopted with implementation underway by 2020 (2 years early), and sustainability must be achieved by 2040.

After 3 years of preparation, public workshops, and technical reviews, the North San Benito GSP was adopted by the SBCWD Board of Directors in November 2021. In this GSP, the Bolsa, Hollister, San Juan Bautista subbasins of the Gilroy-Hollister Basin and the Tres Pinos Valley Basin form the North San Benito Basin. The GSP provided recommended projects and management actions to improve long-term basin health. The two recommended projects were the Pacheco Reservoir Expansion Project (PREP) and expanding the Managed Aquifer Recharge (MAR) project.

The GSP was funded via the Sustainable Groundwater Management Planning Grant, and SBCWD obtained additional grant funding to site, design, and install dedicated monitoring wells and a feasibility study for the MAR to supplement groundwater recharge. The feasibility study compared two alternatives of MAR methods and recommended the Aquifer Storage and Recovery (ASR) alternative to expand SBCWD's groundwater recharge practices.

1.6.5 Pacheco Reservoir Expansion Project (PREP)

The PREP is a collaborative effort among Valley Water, SBCWD, and the Pacheco Pass Water District (PPWD). The project will establish a new dam and expanded reservoir on the North Fork of Pacheco Creek. The existing dam and reservoir were constructed in 1939 and have been used for supplemental groundwater recharge along Pacheco Creek.

The PREP would increase Pacheco Reservoir's operational capacity from 5,500 acre-feet (AF) up to 140,000 AF. A Draft Environmental Impact Report (EIR) was released for public review in November 2021.

SBCWD entered into an MOU with Valley Water in 2019 to support the implementation of PREP. Under the interagency agreement, SBCWD would participate in the project at levels ranging from 2.5 to 10 percent and would receive an equivalent share of the storage volume. The PREP was originally estimated to cost \$1.1 billion, but costs have grown, and it is currently estimated at \$2.5 billion. The PREP will receive \$500 million of grant funding under the State's

Water Quality, Supply, and Infrastructure Act of 2014 (Proposition 1) and has qualified for a loan under the Water Infrastructure Finance and Innovation Act.

1.6.6 B.F. Sisk Dam Seismic Retrofit and Raise

The B.F. Sisk Dam Safety of Dams Modification Project could also include raising the dam that creates San Luis Reservoir. This project, which is being developed by USBR and DWR, is intended to reduce seismic risk and increase water storage behind the dam. Construction is scheduled for completion in 2031.

SBCWD diverts its CVP allocations from San Luis Reservoir. During elongated drought conditions, the future reliability of annual CVP imports is uncertain. Therefore, SBCWD has considered participating in the B.F. Sisk Dam Raise project to increase storage capacity for carryover storage of surface water allocations in years when excess water is available.

1.7 Objectives and Scope for This Master Plan Update

The objectives, scope, approach, and key planning assumptions for this Master Plan Update are described in the following subsections. The emphasis for this Master Plan Update is on water supply and treatment. The wastewater and recycled water facilities will be addressed in a future update once the City of Hollister General Plan Update is complete and the Local Agency Formation Commission issues related to wastewater service area are resolved.

1.7.1 Objectives

The overall objectives of this Master Plan Update are the following:

- ◆ Provide continuous improvement toward achieving drinking water quality goals.
- ◆ Increase dry-year water supply reliability.
- ◆ Provide a reliable and sustainable water supply to respond to long-term growth needs.
- ◆ Coordinate with ongoing programs including SGMA related activities and the supply of treated surface water to SJB.
- ◆ Continue to address water needs through coordinated regional solutions.

1.7.2 Scope of Work

The Scope of Work for completing this Master Plan Update includes the following tasks:

- ◆ Task 1 – Update Water Demands
- ◆ Task 2 – Review Water Quality Goals
- ◆ Task 3 – Develop and Evaluate Long-term Water Supply Options
- ◆ Task 4 – Facilities Review, Evaluation, and Update
- ◆ Task 5 – Institutional and Financial Arrangements Support
- ◆ Task 6 – Project Management, Meetings, and Reports

1.7.3 Planning Approach

The planning approach for this Master Plan Update is similar to the approach used for past master plans, as shown in Figure 1-2.

1.7.4 Study Area

The study area developed by the agencies includes lands that are planned for future development that might require municipal and industrial water supply. The study area, shown in Figure 1-3, includes the original Hollister Planning Area boundary, which includes the Sphere of Influence adopted by the Local Agency Formation Commission, some adjacent lands, and the San Juan Bautista city limit.

1.7.5 Planning Period

The planning period for the 2022 Master Plan Update extends through 2045, which coincides with the planning horizon of the 2020 UWMP.

1.8 Abbreviations

To conserve space and improve the text, the following abbreviations have been used in this Master Plan Update:

2008 Master Plan	2008 Hollister Urban Area Water and Wastewater Master Plan
2017 Master Plan Update	2017 Hollister Urban Area Water and Wastewater Master Plan Update
Master Plan Update	San Benito Urban Areas Water Supply and Treatment Master Plan Update
ADD	average daily demand
ADRoP	Accelerated Drought Response Project
AF	acre-feet
AFY	acre-feet per year
Ag water agencies	Agricultural CVP water City of Hollister, San Benito County, San Benito County Water District, San Juan Bautista, and Sunnyslope County Water District
ASR	aquifer storage and recovery
CCI	Construction Cost Index
CCL	Contaminant Candidate List
CEQA	California Environmental Quality Act
CIP	Capital Improvement Program
City	City of Hollister
City Council	Hollister City Council
Coordinated Plan	2009 Coordinated Water Supply and Treatment Plan
County	San Benito County
CVP	Central Valley Project

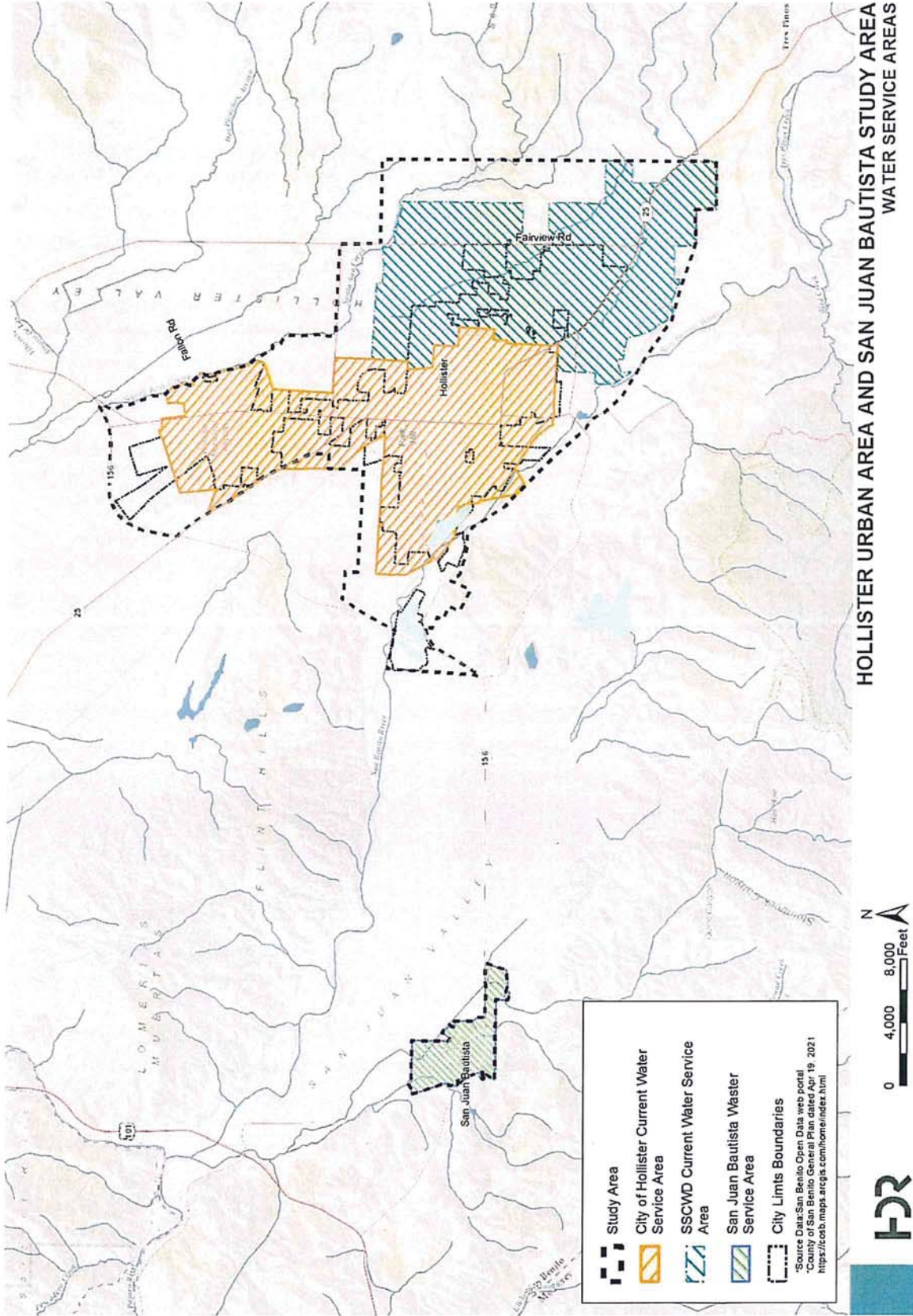


FIGURE 1-3

Figure 1-3. Study Area

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DDW	California Division of Drinking Water
DWR	California Department of Water Resources
e.g.	for example
EIR	Environmental Impact Report
ENR	Engineering News-Record
EPA	U.S. Environmental Protection Agency
GMP	Groundwater Management Plan
gpd	gallons per day
gpm	gallons per minute
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
H&SC	Health and Safety Code
H:V	horizontal to vertical
HUA	Hollister Urban Area
i.e.	that is
I/I	inflow and infiltration
in	inch
IPR	indirect potable reuse
2008 Master Plan	2008 Hollister Urban Area Water and Wastewater Master Plan
2017 Master Plan Update	2017 Hollister Urban Area Water and Wastewater Master Plan Update
M&I	municipal and industrial
Master Plan Update	San Benito Urban Areas Water Supply and Treatment Master Plan Update
MAR	managed aquifer recharge
MCL	maximum contaminant level
MDD	maximum daily demand
MG or Mgal	million gallons
mg/L	milligrams per liter
mgd	million gallons per day
MMD	maximum month demand
NEPA	National Environmental Policy Act
NL	Notification Level
No.	number
O&M	operation and maintenance
OEHHA	California Office of Environmental Health Hazard Assessment

PFAS	per- and polyfluoroalkyl substances
PFBS	perfluorobutane sulfonic acid
PFOA	perfluorooctanoic acid
PFOS	perfluorooctanesulfonic acid
ppb	parts per billion
ppt	parts per trillion
PPWD	Pacheco Pass Water District
PREP	Pacheco Reservoir Expansion Project
RWQCB	California Regional Water Quality Control Board, Central Coast Region
SBC	San Benito County
SBCWD	San Benito County Water District
SBUA	San Benito Urban Areas
SCVWD	Santa Clara Valley Water District
SF	single family residential
SGMA	Sustainable Groundwater Management Act
SJB	City of San Juan Bautista
SRWS	self-regenerating water softener
SSCWD	Sunnyslope County Water District
State	State of California
State Board	California State Water Resources Control Board
SWP	State Water Project
SWTR	Surface Water Treatment Rule
TDS	total dissolved solids
Title 22	Title 22 of the California Code of Regulations
TM	Technical Memorandum
TSS	total suspended solids
U.S.	United States
USBR	United States Bureau of Reclamation
UWMP	Urban Water Management Plan
WDR	Waste Discharge Requirements
WRA	Water Resources Association of San Benito County
WRF	City of Hollister Water Reclamation Facility
WSE	water surface elevation
WTP	water treatment plant
yr	year

2 Improvements since the 2008 Master Plan

After the 2017 Master Plan Update was completed, the agencies collaborated to successfully implement major water projects for the benefit of the HUA. Water conservation and other water-related programs have also continued.

2.1 Water Supply Improvements

Significant actions have been taken to improve the reliability and sustainability of both surface water and groundwater supplies in the HUA.

2.1.1 Surface Water Supply

The following subsections describe the major activities related to improving the reliability of surface water supplies in the HUA.

2.1.1.1 CVP ALLOCATIONS

SBCWD gets the majority of its surface water supply through USBR's CVP and its facilities. The CVP allocations are stored at San Luis Reservoir. The San Felipe Project, a diversion system, conveys CVP water from San Luis Reservoir to the County. The CVP contract entitlements are 35,550 AF for agricultural use and 8,250 AF for municipal and industrial (M&I) customers. On an annual basis, CVP allocations are subject to the USBR's Shortage Policy¹, as established in 2017.

As described in the 2017 Shortage Policy, allocation of CVP water supplies for any given water year is based upon forecasted reservoir inflows and Central Valley hydrologic conditions, amounts of storage in CVP reservoirs, regulatory requirements, and management of supply yields in accordance with implementation of the Central Valley Project Improvement Act (CVPIA). During normal and wet years, M&I allocations may be 100 percent of the contract amount; however, during below normal, dry and critically dry years, the allocations may be reduced below the contract amount. More specifically, the 2017 Shortage Policy indicates the following impacts to the reliability of the CVP supply.

- During a shortage, M&I allocations are based on SBCWD's historical use, which is established as the average quantity of CVP water put to beneficial use during the last three years of unconstrained CVP water deliveries. SBCWD's current historical use is set at the M&I entitlement amount of 8,250 AFY.
- Before allocation of M&I water is reduced, the allocation of irrigation water will be reduced below 75 percent of contract total.
- When the allocation of irrigation water has been reduced below 75 percent and still further water supply reductions are necessary, both the M&I and irrigation allocations will be reduced by the same percentage increment. The M&I allocation will be reduced until it reaches 75 percent of historical use, and the irrigation allocation will be reduced until it

¹ Central Valley Project Municipal and Industrial Water Shortage Policy Guidelines and Procedures, USBR 2017

reaches 50 percent of irrigation contract total. The M&I allocation will not be further reduced until the irrigation allocation is reduced to below 25 percent of the contract total.

- Reclamation will strive to deliver M&I water at not less than the amount needed to meet the public health and safety (PHS) need, taking into consideration both CVP allocations and available non-CVP supplies, provided CVP water is available. The Shortage Policy defines how the PHS need is established, based on domestic, commercial/institutional, and industrial needs and includes an allowance for system losses.

Table 2-1 summarizes the CVP allocations for the period 2011 – 2020.

Table 2-1. Past M&I CVP Allocations

Year	Allocation Percent ¹ (%)	Allocation Amount (AF)	Actual Amount Used ¹ (AF)	Unused Supply (AF)
2011	100%	8,250	2,433	5,817
2012	51%	4,208	2,683	1,525
2013	47%	3,878	2,652	1,226
2014	34%	2,805	1,599	1,206
2015	25%	2,063	1,810	253
2016	55%	4,538	1,914	2,624
2017	100%	8,250	2,909	5,341
2018	75%	6,188	5,679	509
2019	100%	8,250	4,457	3,793
2020	70%	5,775	4,953	822
10 Year Average	66%	5,420	3,109	2,311
3 Year Minimum Average (2013–2015)	35%	2,915	2,020	895

AF – acre-feet

1. Source: Todd Groundwater, 2020 Annual Groundwater Report, Table E-1

SBCWD’s contract with USBR also provides the provision to convert any, or all, of the Ag water entitlement to increase the 8,250 AFY M&I entitlement when the demand for M&I water grows beyond 8,250 AFY. As future M&I demands increase beyond the current entitlement, SBCWD should evaluate if a conversion from Ag to M&I is appropriate.

2.1.1.2 IMPORTED SURFACE WATER TRANSFERS / SPOT MARKET

Over the past decade, SBCWD has had an ongoing practice of purchasing out-of-basin water supplies to supplement its imported CVP supplies. These purchases have totaled 13,550 AF over the period.

Purchases are made, when available and cost-effective, from a variety of sources including irrigation districts north of the Sacramento–San Joaquin River Delta, the San Joaquin River Exchange Contractors, and other sources. These purchases range from single-year (spot market) purchases to multi-year agreements (typically up to 5 years).

2.1.1.3 SEMITROPIC WATER BANK

In February 2011, SBCWD entered into an agreement with Valley Water to participate in the Semitropic Water Bank. Under the terms of the agreement, SBCWD will deliver 5,000 AF of CVP contract water to Valley Water. Valley Water will then store that amount of its CVP contract water supply, less 10 percent losses imposed by the Semitropic Agreement, on behalf of SBCWD for future recovery.

With this arrangement, SBCWD is able to improve its ability to manage current and long-term water supplies, provide a reliable supply for the two surface water treatment plants (Lessalt and West Hills WTPs), and provide an additional source of water supply. However, retrieving that water during dry years is a challenge under some circumstances (e.g., restrictions on pump water out of the Sacramento-San Joaquin Delta) when water cannot be effectively 'swapped' with a water agency downstream of Semitropic.

2.1.2 Groundwater

Improvements have also been completed to increase the reliability and sustainability of groundwater supplies.

2.1.2.1 ENHANCED PERCOLATION

A variety of activities are ongoing for percolation to enhance groundwater supplies. Table 2-2 summarizes the percolation quantities during the past 5 years.

Table 2-2. Past Percolation Quantities Summarized by Source (AF)

Year	Reservoir Release for Percolation	Percolation of CVP	Percolation of Treated Wastewater Effluent	Total
2016	—	—	2,402	2,402
2017	25,598	2,549	2,177	30,324
2018	6,438	2,965	1,587	10,990
2019	17,969	5,043	1,986	24,998
2020	11,510	3,161	2,553	17,224

AF – acre-feet, CVP – Central Valley Project

Source: Todd Groundwater, 2020 Annual Groundwater Report, Appendix D

Percolation of CVP Water. In the past, CVP percolation was used to recharge the groundwater basin. CVP percolation peaked in 1997 and was reduced subsequently in response to the successful recovery of the groundwater basin from overdraft. Direct in-stream recharge of CVP water was suspended from 2008 to 2016 due to low CVP allocations and concern about the release of invasive Dreissenid (zebra) mussels, which had been discovered in San Justo Reservoir. SBCWD has resumed recharge at dedicated basins adjacent to streams.

Percolation of Local Surface Water. In most years, local surface water released from Hernandez and Paicines reservoirs is percolated along the San Benito River and Tres Pinos Creek. Releases of local surface water have been limited typically to percolation upstream of the confluence of the San Benito River and Tres Pinos Creek. This release has helped maintain groundwater levels without causing shallow groundwater problems and competing for available storage space with the City's wastewater percolation ponds. In years when both Paicines and

Hernandez were dry for the entire year due to drought conditions, there were no releases for groundwater percolation.

Percolation at City’s WRF. Treated wastewater effluent is percolated at the City’s WRF and is also percolated at the SSCWD Ridgemark Wastewater Treatment Plant and by Tres Pinos Water District. SBCWD constructed an intertie to enable the diversion of excess CVP water to the percolation ponds on the west side of State Route 156 for percolation when the recycled water system is not in use.

2.2 Water Treatment and Distribution

Major improvements and additions have been completed to facilities for the treatment and transmission of surface water supplies. Major water facilities are shown in Figure 2-1.

2.2.1 Surface Water Treatment Plants

Treated surface water plants include the existing Lessalt WTP and the new West Hills WTP, which was completed in the fall of 2017.

2.2.1.1 LESSALT WATER TREATMENT PLANT

The Lessalt WTP, owned by SBCWD and operated by SSCWD under contract, was placed into operation in January 2003. The plant, shown in Figure 2-2, was upgraded in 2014 to comply with the requirements of the Disinfectants and Disinfection Byproducts Rule. The treated water is distributed to both City and SSCWD customers.

The plant has a rated capacity of 2.0 million gallons per day (mgd) capable of treating 2,240 AF of imported CVP supply annually. The plant has a short-term production capacity of up to 2.5 mgd.

2.2.1.2 WEST HILLS WATER TREATMENT PLANT

The West Hills WTP and associated transmission facilities are designed for an ultimate capacity of 9 mgd. The Phase 1 treatment and raw water pumping facilities were constructed with an initial capacity of 4.5 mgd in 2017. The plant, shown in Figure 2-3, has the following treatment objectives:

- ◆ Reliably meet all applicable drinking water regulations, in particular the Stage 2 Disinfectants and Disinfection Byproducts Rule.
- ◆ Remove total organic carbon from the source water such that byproducts formed during disinfection within the 14-day distribution system water age remain within the regulated limits.
- ◆ Provide pretreatment to reduce iron and manganese in the San Justo Reservoir source water.

San Benito Urban Areas Water Supply and Treatment Master Plan Update
 2 Improvements since the 2008 Master Plan

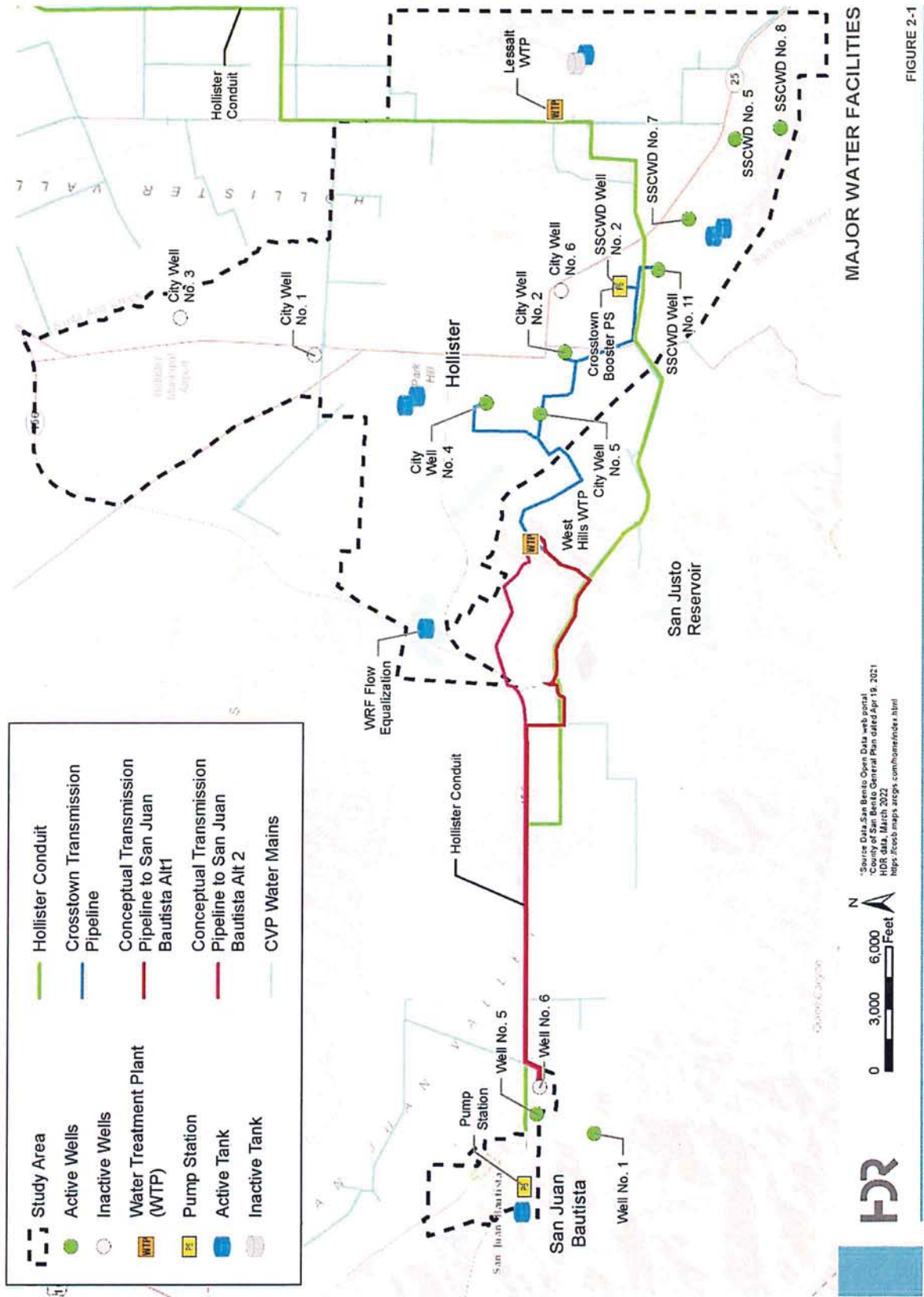


Figure 2-1. Major Water Facilities in the Study Area

The West Hills WTP process and facilities include a raw water pump station, raw water conveyance and treated water transmission pipelines, pre-oxidation for iron and manganese removal, ballasted flocculation clarification pretreatment with enhanced organics removal, conventional gravity filtration, chemical feed and storage, treated water storage tank, and solids handling systems. Water will be delivered from the Hollister Conduit to the plant. Once on-site, the primary treatment processes, storage tank, and the distribution system will operate by gravity. The treated water pipeline will connect to the existing City distribution system at City Well No. 5 and City Well No. 4. The Crosstown Pipeline project will include extending the transmission pipeline to the middle zone and City Well No.2.



Figure 2-2. Lessalt Water Treatment Plant



Figure 2-3. West Hills Water Treatment Plant

2.2.2 Transmission System Improvements

Since the West Hills WTP was completed, two key projects were completed to expand the distribution of high-quality surface water and to support compliance with the anticipated State hexavalent chromium maximum contaminant level (MCL).

2.2.2.1 CROSSTOWN PIPELINE

The Crosstown Pipeline was planned as a transmission pipeline to extend West Hills finished water to the middle zone of the distribution system. The treated surface water blends with

SSCWD and City groundwater wells, some of which are high in hexavalent chromium to address the would-be noncompliance of the hexavalent chromium MCL.

The recently completed Crosstown Pipeline ranges from 16 inches to 20 inches in diameter and spans approximately 2.5 miles in length. Pump stations and blending stations were constructed at existing well sites, City Well No.2, SSCWD Well No.2 and SSCWD Well No.11 to facilitate blending. Specifically, the blending at SSCWD Well No. 11 allows the well to operate at its target pumping rate to provide hexavalent-chromium-compliant water for blending with certain City wells if the WHWTP is down.

2.2.2.2 WEST HILLS WTP CONNECTION TO WELL NO.2, WELL NO. 4 AND WELL NO. 5

The City blends water from three of its well sites, City Well No. 2, City Well No. 4 and City Well No. 5, with the high-quality water from the West Hills WTP to improve water quality and to address the would-be noncompliance of the hexavalent chromium MCL. The 20-inch transmission pipeline from West Hills bifurcates to a 16-inch pipe at San Benito Street and River Parkway to connect with City Well No. 2; to a 12-inch pipe along Westside Boulevard to connect with City Well No. 4, and similarly bifurcates to a 12-inch pipe near the connection to the City’s distribution to connect with City Well No. 5.

2.3 Water Conservation

Water conservation is an important tool to manage demands in the HUA. During the multi-year drought, the State mandated water retailers to reduce their demand. Water conservation efforts are led by the Water Resources Association (WRA).

Assembly Bill 1668 and Senate Bill 606 built on California’s efforts to make water conservation a way of life and created a new foundation for long-term improvements in water conservation and drought planning. Assembly Bill 1668 and Senate Bill 606 established guidelines for efficient water use and a framework for implementing and overseeing the new standards, which must be in place by 2022. The two bills strengthen the state’s water resiliency in the face of future droughts with provisions that include the following:

- ◆ Establishing water use objectives and long-term standards for efficient water use that apply to urban retail water suppliers
- ◆ Providing incentives for water suppliers to recycle water
- ◆ Identifying small water suppliers and rural communities that might be at risk of drought and water shortage vulnerability and providing recommendations for drought planning
- ◆ Requiring both urban and agricultural water suppliers to set annual water budgets and prepare for drought

During the 2010–2017 drought, several Executive Orders were made to respond to the record dry conditions. Most prominently, on April 1, 2015, an Executive Order mandated water reduction in urban areas to reduce potable urban water usage by 25 percent statewide. The City and SSCWD were required to submit their monthly water demand reduction accomplishments to the State Water Resources Control Board to document their respective achievements in

reducing water demand. The City and SSCWD had reduced 26.4 percent and 36.2 percent from their respective 2013 water use, thereby surpassing the mandated conservation requirement.

Other ongoing water conservation programs include the following:

- ◆ Landscape Hardware Rebates
- ◆ Free Water-Wise Landscape Plans
- ◆ Water Softener Assistance and Rebate Program
- ◆ Free Home Water Checkups
- ◆ Irrigation Assistance
- ◆ Toilet Replacement Program
- ◆ Education program (workshops; school programs that includes field trips to a water treatment plant and wastewater facility [transportation paid by WRA]; supplying a speaker to service organizations and government entities to explain water issues in San Benito County)
- ◆ Outreach programs including ads in local newspapers, bill inserts, newsletters, the San Benito County Fair, Water Awareness Month (May), a Water-Wise demonstration garden, a water conservation library for public use, the WRA website, water efficient landscape plans, and internet and print ads in the *Hollister Free Lance* newspaper and website

These ongoing water conservation programs have successfully reduced water demand in the HUA. However, some of these measures might be reaching saturation. For example, the number of remaining toilets eligible for rebates is limited, since many residents have already installed low-flow toilets. It is important to continue and diversify these plumbing and landscape conversion programs and public outreach to encourage the public to continue to use water wisely.

Together, the state-ordered demand reduction coupled with the expansion of ongoing water conservation efforts has successfully lowered water demand in the HUA.

2.4 Other Programs

In addition to the improvements and water conservation programs described above, the following programs were also implemented to improve water quality and water conservation awareness in the HUA.

2.4.1 Water Softener Rebate Programs

Since 2008, a program has been in place to issue rebates to those water customers who remove a self-regenerating water softener (SRWS) without replacement (\$300) or with transition to an off-site exchange service (\$250). In July 2014, the City also enacted an ordinance that prohibits installing new SRWSs that use sodium and/or potassium salts. SSCWD also adopted a new code through Ordinance #79 prohibiting new or replacing existing SRWSs. The intent of these programs is to remove salt from the wastewater, thereby improving the resulting recycled water and reducing salt loading to the groundwater basin through percolation.

2.4.2 Irrigation Education

SBCWD, in collaboration with WRA, has offered classes since 2009 on irrigation efficiency and other agriculture practices. These classes provide concepts, tools, and examples for optimizing irrigation and nitrogen management efficiency in row, tree, and greenhouse crop production. The classes also focus on keeping records and acquiring data needed for water quality regulation and reporting.

WRA also offers classes to residential customers. These classes instruct customers on topics such as efficient irrigation practices, converting landscapes to be water-wise, and composting.



3 Projected Water Demands

Demand projections are required for this Master Plan Update to identify future urban water supply needs for the planning horizon of 2045. The demand projections presented in this section follow the framework set by previous studies. The detailed analysis was documented in a technical memorandum that is included in Appendix A.

The existing average annual water demands for the SBUA are approximately 5,560 AFY based on the production data from 2018 to 2019. 2020 was excluded due to the singularity of the pandemic. The annual water demand is projected to increase to approximately 9,190 AFY by 2035 and to approximately 12,500 AFY by 2045, as illustrated in Figure 3-1. By comparison, the 2017 Master Plan Update projected that the annual water demand would be 10,170 AFY by 2035. The decrease in projected future demands is attributed to changes in consumer behavior due to the success of the conservation program, reduced consumption due to increasing water rates, and delayed population growth in the SBUA. The significant difference between the recent demands illustrated in Figure 3-1 and the estimated 2021 demand is due to including SJB’s demand, which is 314 AFY for 2021, in the projected demands.

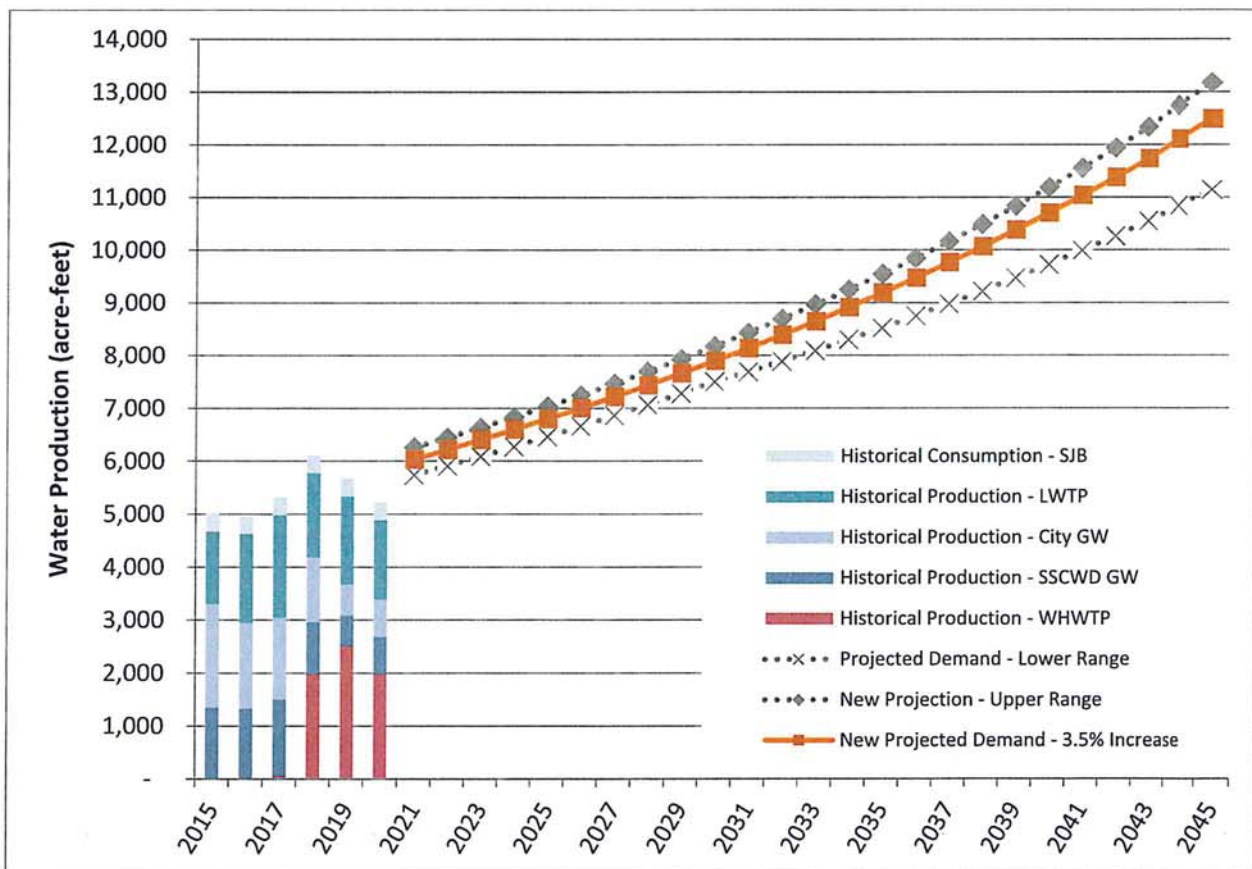


Figure 3-1. Past Production and Projected Water Demands

Due to the inherent uncertainty in projecting future conditions, a range is presented in Figure 3-1. The upper band of the range is the demand projection based on a 4 percent annual



population increase in the City and SSCWD service areas plus San Juan Bautista’s estimated demands. The lower band uses a lower unit factor of 0.25 AFY per single-family residence based on recent water consumption data. This reflects the consideration of efficient water use and smaller new homes and landscape areas in the future. Due to this uncertainty, it will be important to revisit demand forecasts every five years such that the new water supply infrastructure needed to serve the future demand is implemented in a timely manner.

Compared to the 2017 Master Plan Update, there are two major changes in the water demand projection. The first is that a 3.5 percent annual population growth rate is used compared to the 4 percent rate used in the previous plan. Regional and local planning documents suggest that the region, especially the urban areas, will continue to experience growth but at a slower rate compared to what was previously predicted. The second significant change is the inclusion of SJB since the 2021 MOU. Table 3-1 summarizes the updated water demand projection at 5-year increments through 2045.

Table 3-1. Projected Annual Demand, ADD, MMD, MDD

	Existing (Average of 2018 and 2019)	2025	2030	2035	2040	2045
Annual Water Demand (AFY)						
SSCWD	2,417	2,813	3,274	3,817	4,461	5,217
City	3,142	3,657	4,256	4,963	5,799	6,783
SJB	—	340	372	410	451	496
Total Annual Demand¹	5,560	6,810	7,900	9,190	10,710	12,500
Demand on Water Production Facilities (mgd)						
Average Day (ADD)	5.0	6.1	7.1	8.2	9.6	11.2
Max month (MMD) ²	7.4	9.1	10.6	12.3	14.3	16.7
Max day (MDD) ³	9.9	12.2	14.1	16.4	19.1	22.3

ADD – average daily demand, AF – acre-feet per year, City – City of Hollister, MDD – maximum daily demand, MMD – maximum month demand, SJB – City of San Juan Bautista, SSCWD – Sunnyslope County Water District

Notes:

1. Values are rounded.
2. Maximum month demand (MMD) is estimated at 1.5 times average day demand (ADD).
3. Maximum day demand (MDD) is estimated at 2.0 times ADD.

4 Long-Term Water Supply

Northern San Benito County has a diverse and complex water supply composed of imported surface water from San Luis Reservoir, a substantial groundwater basin, numerous river and creek channels for groundwater recharge, and opportunities for water recycling. However, imported surface water supplies are subject to reduced deliveries due to drought and environmental constraints in the Sacramento–San Joaquin River Delta. Municipal groundwater supplies are high in TDS and hardness and in some areas have hexavalent chromium concentrations that exceed California Division of Drinking Water (DDW) standards. Although DDW has not officially published an MCL for hexavalent chromium, both SSCWD and the City have prepared compliance plans, as documented in the 2017 Master Plan Update.

To meet increased water demands and achieve the reliability and water quality objectives for the SBUA, long-term water supply options have been developed and evaluated.

4.1 Existing Water Supply Sources

Water supplies for the SBUA currently include local groundwater, imported surface water, and recycled water, as described in the following subsections.

4.1.1 Groundwater

The HUA overlies the Gilroy-Hollister groundwater basin, designated as DWR Basin No. 3-3. The San Benito County portion of the basin is bounded by the Pajaro River in the north, the Diablo Range on the east, and the Gabilan Range to the southwest. The basin covers 200 square miles of the Pajaro River watershed and is drained by its tributaries, most notably the San Benito River.

The total groundwater storage in the Gilroy-Hollister groundwater basin is estimated to be approximately 500,000 AF within the upper 200 feet of the basin. Previous estimates of the groundwater safe yield range from 40,000 to 54,000 AFY.

Both the City and SSCWD use groundwater wells for M&I supply. In 2020, the City and SSCWD pumped a combined total of 1,401 AF (707 AF and 694 AF, respectively) from the groundwater basin.²

The groundwater has a high mineral content with some wells exceeding 1,000 milligrams per liter (mg/L) TDS compared to the California recommended secondary drinking water standards of 500 mg/L TDS. Hardness in existing M&I groundwater supplies ranges from 300 to 400 mg/L, which is considered very hard and can lead to customers using water softeners. All active City wells and one SSCWD well (Well No. 7) would exceed the 10.0 parts per billion (ppb) for the hexavalent chromium MCL if the regulation is adopted.

Each water year, SBCWD oversees the preparation of an Annual Groundwater Report that describes current groundwater conditions. The report documents water supply sources and use, groundwater levels and storage, and management activities over the water year (October to

² Data source: SBCWD, 2020 Urban Water Management Plan

September). Recommendations are provided regarding the future surface water imports, groundwater replenishment, groundwater pumping, and groundwater charges.

As described in Section 1.6.4, the SBCWD Board of Directors adopted the GSP for local subbasins affected by the Sustainable Groundwater Management Act. The plan recommends expanding surface water storage and managed aquifer recharge projects to protect North San Benito Basins' long-term health and sustainability.

SJB owns and operates a domestic water system that consists of two active groundwater wells, Well 1 and Well 5. The local groundwater is high in nitrite and hardness. From 2015 to 2017, the average groundwater production ranged between 0.2 to 0.24 MGD. Well efficiencies fluctuate with water depths through droughts, normal or wet years.

4.1.2 Surface Water

SBCWD purchases imported CVP surface water from USBR. SBCWD's contract with USBR is for a total supply of 43,800 AFY, of which 35,550 AFY is for agricultural use and 8,250 AFY is for M&I use. The current contract was effective in March 2021 and may be terminated upon mutual consent. The contract provides the provision to convert any, or all, of the agricultural entitlement to increase the 8,250 AFY M&I entitlement when the demand for M&I water grows beyond 8,250 AFY. As future M&I demands increase beyond the current entitlement, SBCWD should evaluate if a conversion from Ag to M&I is appropriate.

As described in Section 2.1.1.1, the CVP supply is governed by the USBR's 2017 Shortage Policy in years when a shortage condition is triggered. In such years, the available CVP supply is allocated based on a percentage of historical use. SBCWD's historical use is set at the full M&I entitlement amount of 8,250 AFY. However, under extreme drought conditions, the USBR's Shortage Policy allows allocation to be reduced to the PHS need, or lower depending on the available supply in the overall system.

CVP water is imported through the Sacramento–San Joaquin River Delta to San Luis Reservoir and conveyed through the Hollister Conduit, which is part of the San Felipe Project. The Hollister Conduit is a pressurized pipeline consisting of 60-inch-diameter and 42-inch diameter pipeline. The Hollister Conduit has a design capacity of 83 cubic feet per second and extends approximately 19.5 miles from the bifurcation with the Santa Clara Conduit to the terminus at San Justo Reservoir. San Justo Reservoir is located south of Hollister and has a storage capacity of 10,300 AF, which is used to store imported water deliveries until they are needed. Typically, the agricultural demand is highest during the warmer months, while deliveries occur throughout the year. Half of the storage capacity is allocated for agriculture, while the other half is for M&I supply. Due to the configuration of the outlet structure, approximately 2,000 AF of storage is dead storage. SBCWD estimates that water stored in San Justo Reservoir is subject to a loss rate of approximately 15 percent per year due to evaporation and seepage.

Imported water is delivered to agricultural, municipal, and industrial customers through 120 miles of pressurized laterals and is also released at controlled rates to local percolation basins for percolation and recharge of the groundwater basin.

SBCWD can divert up to 10 percent of the total CVP contract amount as carryover water and keep that stored in San Luis Reservoir for the following year. Carryover water held in San Luis Reservoir can be stored for only 1 year and is subject to evaporation losses. Further, that water has a lower priority for delivery during the following year. For this reason, if USBR is unable to make deliveries of its contract allocations in the following year, the carryover storage will not be available. In addition, if supplies exceed capacity, carryover water is the first to be “spilled.”

4.2 Long-term Water Supply Need

The need for a reliable long-term water supply is driven by water quantity and water quality needs for the SBUA.

4.2.1 Water Quantity

As described in Section 3, water demands for the SBUA are projected to increase from an existing 5,560 AFY to approximately 12,500 AFY by 2045, resulting in an increase of 6,940 AFY over the planning period.

An evaluation of future water supply needs under various hydrologic conditions was completed as part of the 2020 UWMP. The results of that evaluation are summarized in Table 4-1, Table 4-2, and Table 4-3. The demand forecast presented in the following tables is similar in comparison to the updated projections presented in Section 3, with a normal-year 2040 demand of 10,857 AFY below versus an updated demand of 10,710 AFY in Section 3.

Table 4-1. Normal-year Supply and Demand (AFY)

Normal Year	2025	2030	2035	2040
Supply Total	6,968	8,149	9,484	10,857
<i>CVP</i>	5,388	5,388	5,388	5,388
<i>Groundwater</i>	1,480	2,661	3,996	5,369
<i>Recycled Water</i>	100	100	100	100
Demand Total	6,968	8,149	9,484	10,857
Difference	0	0	0	0
Required Conservation	0%	0%	0%	0%

AF – acre-feet per year, CVP – Central Valley Project

Source: 2020 Hollister Urban Area Urban Water Management Plan, Tables 4-3a, b, c; Tables 6-9a, b, c

Table 4-2. Single Dry-year Supply and Demand (AFY)

Single Dry Year	2025	2030	2035	2040
Supply Total	6,272	7,335	8,536	9,772
<i>CVP</i>	3,013	3,013	3,013	3,013
<i>Groundwater</i>	1,919	2,222	3,423	4,659
<i>CVP Supplemental</i>	1,240	2,000	2,000	2,000
<i>Recycled Water</i>	100	100	100	100
Demand Total	6,272	7,335	8,536	9,772
Difference	0	0	0	0
Required Conservation	0%	0%	0%	0%

AF – acre-feet per year, CVP – Central Valley Project

Source: 2020 Hollister Urban Area Urban Water Management Plan, Table 7-3



Table 4-3. Multiple Dry Years Supply and Demand (AFY)

Multiple Dry Year 1	2025	2030	2035	2040
Supply Total	6,271	7,334	8,535	9,771
<i>CVP</i>	4,126	4,126	4,126	4,126
<i>Groundwater</i>	1,919	1,919	2,059	3,295
<i>CVP Supplemental</i>	126	1,189	2,250	2,250
<i>Recycled Water</i>	100	100	100	100
Demand Total	6,271	7,334	8,535	9,771
Difference	0	0	0	0
Required Conservation	0%	0%	0%	0%
Multiple Dry Year 2	2025	2030	2035	2040
Supply Total	6,272	7,335	8,536	9,772
<i>CVP</i>	3,904	3,904	3,904	3,904
<i>Groundwater</i>	1,919	1,919	2,282	3,518
<i>CVP Supplemental</i>	349	1,412	2,250	2,250
<i>Recycled Water</i>	100	100	100	100
Demand Total	6,272	7,335	8,536	9,772
Difference	0	0	0	0
Required Conservation	0%	0%	0%	0%
Multiple Dry Year 3	2025	2030	2035	2040
Supply Total	6,272	7,335	8,536	9,772
<i>CVP</i>	3,013	3,013	3,013	3,013
<i>Groundwater</i>	1,919	2,222	3,423	4,659
<i>CVP Supplemental</i>	1,240	2,000	2,000	2,000
<i>Recycled Water</i>	100	100	100	100
Demand Total	6,272	7,335	8,536	9,772
Difference	0	0	0	0
Required Conservation	0%	0%	0%	0%
Multiple Dry Year 4	2025	2030	2035	2040
Supply Total	6,272	7,335	8,536	9,772
<i>CVP</i>	3,013	3,013	3,013	3,013
<i>Groundwater</i>	1,919	1,972	3,173	4,409
<i>CVP Supplemental</i>	1,240	2,250	2,250	2,250
<i>Recycled Water</i>	100	100	100	100
Demand Total	6,272	7,335	8,536	9,772
Difference	0	0	0	0
Required Conservation	0%	0%	0%	0%



Multiple Dry Year 5	2025	2030	2035	2040
Supply Total	6,272	7,335	8,536	9,772
CVP	3,013	3,013	3,013	3,013
Groundwater	1,919	1,972	3,173	4,409
CVP Supplemental	1,240	2,250	2,250	2,250
Recycled Water	100	100	100	100
Demand Total	6,272	7,335	8,536	9,772
Difference	0	0	0	0
Required Conservation	0%	0%	0%	0%

AF – acre-feet per year, CVP – Central Valley Project

Source: 2020 Hollister Urban Area Urban Water Management Plan, Table 7-4

As shown in the results of the 2020 UWMP, as time progresses, there will be a greater reliance on local groundwater and supplemental CVP water (e.g., carryover water in San Justo Reservoir, Semitropic Water Bank, conversion of agricultural water, spot market purchases, etc.), particularly during dry-year and multi-dry-year conditions. However, the local groundwater has high TDS and high hardness, so relying on this source of supply would require additional treatment (e.g., softening or demineralization) to achieve the water quality goals of the MOU.

The UWMP analysis used CalSim II simulations to forecast the future CVP allocations, considering the effects of climate change. The result is that future *average* allocations are estimated to be 82 percent of the contract amount of 8,250 AFY, or approximately 6,765 AFY. SBCWD has agreements with other M&I users for approximately 700 AFY, and there is a loss factor of 10 percent. As a result, the future average year allocation available for the SBUA is estimated to be approximately 5,400 AFY.

To understand the available CVP supply during a dry year, the 2020 UWMP used 2014 as the baseline year. The CVP allocation in 2014 was 25 percent of the M&I contract value, or 2,062 AFY. The baseline in the 2020 UWMP was revised upward, to 50 percent, based on USBR’s Shortage Policy, which recognized that the CVP M&I water is needed to meet PHS needs. However, in March 2022, after another very dry winter in the Sierra Nevadas (the watershed that feeds the CVP system), USBR set the initial M&I allocation at only 35 percent of M&I contract value and later reduced that to zero percent on April 4, 2022. SBCWD was able to provide documentation to USBR to comply with the USBR M&I Shortage Policy in order to receive unmet PHS need and obtained some M&I water; however, the reliability of that supply will always be uncertain in future severe droughts. As a result, the current reliability of the CVP supply is less than that which was presented in the 2020 UWMP for supply during a dry year.

4.2.2 Water Quality

As part of this Master Plan Update, previously established goals for drinking water were reviewed and evaluated relative to affordability, consumer benefits, and current technology.

As specified in Section 2.2.2 of the 2004 MOU, the goal for TDS was set at 500 mg/L and the goal for hardness was set at 120 mg/L. Subsequently, the 2014 MOU revised the hardness goal to 150 mg/L to be consistent with comparable utilities and industry standards.

The facilities completed since the 2008 Master Plan and described in Section 2 provide a significant improvement in drinking water quality.

The 2017 Master Plan Update investigated the need for additional high-quality source water to achieve the 150 mg/L hardness goal. It estimated the additional increment of high-quality water (i.e., low-hardness water, such as CVP supply) to be approximately 1,800 AFY by 2025 and approximately 3,880 AFY by 2035, based on the 2017 Master Plan Update's projected water demand. In this Master Plan Update, the agencies reconsidered the financial implications and recent customer feedback and decided to adjust the hardness goal to reflect a range of 150 to 180 mg/L (180 mg/L is the limit between moderately hard and hard water). This flexibility allows for variations in water quality throughout the distribution system and throughout the year, and it reduces the capacity requirements for surface water treatment.

Considering the growth in water demands and the continued need to further reduce drinking water hardness, the ratio of high-quality water to unsoftened groundwater will continue to increase. Based on current water quality data, approximately 81 percent of the demand must be met by high-quality water to achieve an average, system-wide hardness of 180 mg/L. Further, approximately 90 percent of the demand must be met by high-quality water to achieve an average, system-wide hardness of 150 mg/L. This is illustrated in Figure 4-1. As shown, the demand for high-quality water is projected to increase to approximately 6,400 to 7,120 AFY by 2030 and to approximately 10,120 to 11,250 AFY by 2045 based on achieving a hardness range of 180 to 150 mg/L, respectively.

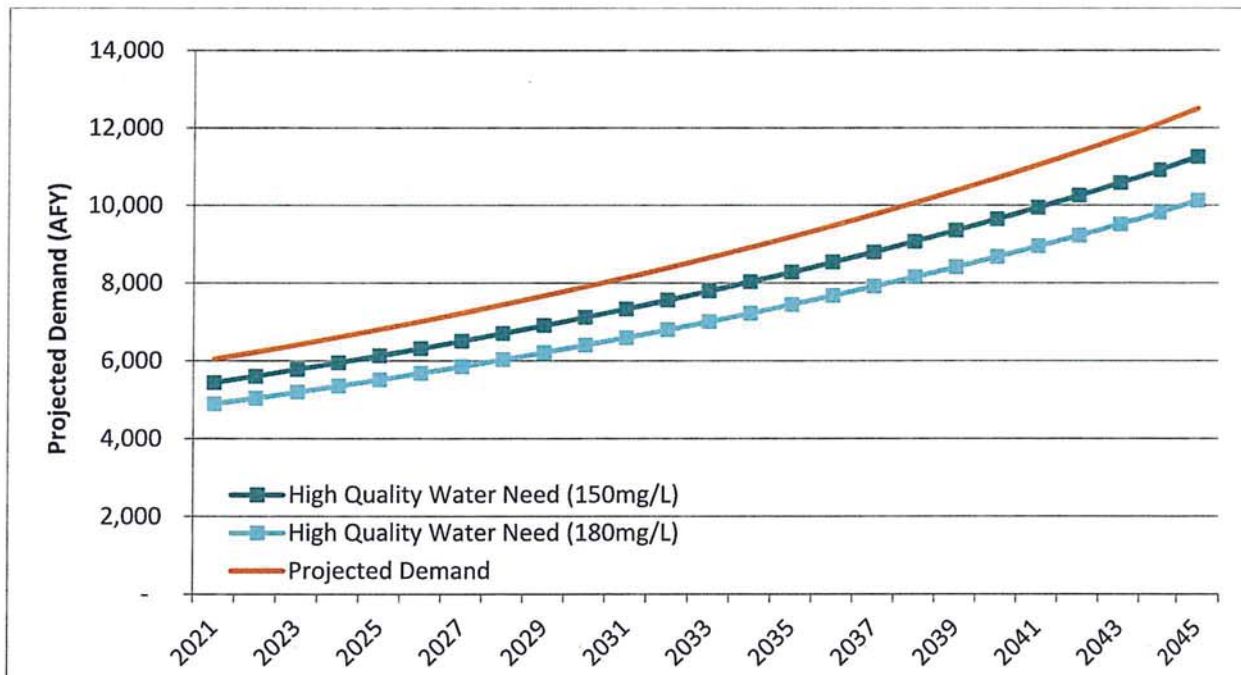


Figure 4-1. Projected Demand and Demand for High-quality Water

Table 2-1 in Section 2 shows that the average CVP allocation over the period between 2011 and 2020 was 5,420 AFY. As described in Section 4.2.1, the average CVP supply available for M&I customers in the SBUA is estimated to be 5,400 AFY. These values are consistent, and,

although 5,400 AFY is sufficient to meet the demand for high-quality water for existing customers, it is insufficient to meet demands into the future. Furthermore, the 3-year minimum average allocation between 2011 and 2020 was only 2,915 AFY (as shown in Table 2-1), revealing that the imported CVP supply is not sufficiently reliable to meet the demand for high-quality water for the existing customers during multi-year drought periods. Table 4-4 summarizes the projected demand, projected demand for high-quality water, and supply deficits.

Table 4-4. Summary of Projected High-quality Water Demands and Deficits (AFY)

	Current	2025	2030	2035	2040	2045
Total Demand (AFY)	5,560	6,810	7,900	9,190	10,710	12,500
High-quality Need (180 mg/L Hardness)	4,503	5,514	6,402	7,447	8,677	10,124
Deficit (180 mg/L Hardness) ¹	None	114	1,002	2,047	3,277	4,724
High-quality Need (150 mg/L Hardness)	5,436	6,129	7,116	8,278	9,645	11,254
Deficit (150 mg/L Hardness) ¹	36	729	1,716	2,878	4,245	5,854

AF – acre-feet per year, CVP – Central Valley Project, mg/L – milligrams per liter

Notes:

1. Deficits assume an average 5,400 AFY CVP allocation based on the 2020 UWMP.

The demand for high-quality water could be met by developing new surface water projects, developing new groundwater projects, adding softening or demineralization at municipal groundwater wells, or a combination of these options. These options are further analyzed in Section 4.3 and Section 4.4. In addition to these options, SSCWD plans to expand use of local wells for large landscape demands to encourage use of groundwater for irrigation demands, such as in schools, parks, roadsides etc., and potentially at residential units. If this initiative achieves significant implementation, the demand for high-quality surface water may be offset.

As previously described, both the City and SSCWD have wells that exceed DDW’s potential hexavalent chromium MCL of 10 ppb. Both agencies rely on blending groundwater supply with treated high-quality water to meet this potential regulation, as detailed in the 2017 Master Plan Update. An 80 to 90 percent blending ratio is sufficient to meet the blending requirements to meet the potential hexavalent chromium MCL for both agencies.

4.2.3 Water Reliability

Section 2.2.1 of the 2004 MOU established reliability goals for the urban water supply as being capable of meeting 100 percent of the demands during wet, above-normal, normal, and dry years and during the first year of a critically dry period. Further, during the second and subsequent years of a multi-year drought, the water supplies (including surface and groundwater) must be capable of meeting 85 percent of the M&I demand.

As described in Section 4.2.2, to achieve the water quality goals, approximately 81 to 90 percent of the demand should be met with high-quality water (e.g., imported CVP water or similar). During this Master Plan Update, the agencies considered both the water quality goal and the original reliability goal described in the 2004 MOU, and weighed the tradeoffs of

reduced water quality versus mandatory conservation during the second and subsequent years of a multi-year drought. The result is an updated reliability goal, stated as follows:

- ◆ The urban water supply shall be capable of meeting 100 percent of the demands during all year types, including wet, above-normal, normal, and dry years and critically dry years.
- ◆ During wet, above-normal, normal, dry years and the first year of a critically dry period, the urban water supply shall be capable of meeting the water quality goals, meeting the demand with a blend of high-quality water and local groundwater. To achieve the water quality goals, the high-quality water will be approximately 81 to 90 percent of the total demand.
- ◆ In the second and subsequent years of a multi-year drought, the water quality goals will be relaxed. Under these conditions, the urban water supply shall be capable of meeting 85 percent of the demand for high-quality water (i.e., 85 percent of 81 percent of the total demand, or 69 percent), and the balance of the demand shall be met with local groundwater.

The result of this updated reliability goal is summarized in Table 4-5.

Table 4-5. Need for High-quality Water in Average and Drought Periods (AFY)

	Current	2025	2030	2035	2040	2045
Total Demand	5,560	6,810	7,900	9,190	10,710	12,500
Wet, Above-normal, Normal, Dry, and First Year of Dry Period						
High-quality Water ¹	4,503	5,514	6,402	7,447	8,677	10,124
Local Groundwater ²	1,056	1,296	1,498	1,743	2,033	2,376
Total Supply (100% of Demand)	5,560	6,810	7,900	9,190	10,710	12,500
Second and Subsequent Dry Years						
High-quality Water ^{1,3}	3,828	4,689	5,439	6,327	7,374	8,605
Local Groundwater ²	1,732	2,121	2,461	2,863	3,336	3,894
Total Supply (100% of Demand)	5,560	6,810	7,900	9,190	10,710	12,500

Notes:

1. High-quality supply is based on the upper hardness range of 180 mg/L, which requires that approximately 81% of the total demand be met with high-quality water (i.e., low-hardness water such as imported CVP water).
2. Untreated local groundwater (i.e., no softening or demineralization).
3. High-quality supplies must be sufficient to meet 85% of the demand for high-quality water (85% of 81% of the total demand, or 69% of the demand).

The gap between the need for high-quality water and available CVP supply is illustrated in Figure 4-2 for both average conditions and a multi-year dry period (i.e., the second and subsequent years of a multi-year drought period). As previously described, the average CVP allocation is estimated to be approximately 5,420 AFY, which is sufficient to meet the need for high-quality water during an average year for existing customers. However, as described in Section 2.1.1.1, the average CVP allocation during a multi-year drought is estimated to be approximately 2,915 AFY, which is less than the existing need for high-quality water during a



multi-year drought (4,160 AFY). This results in a deficit of approximately 1,250 AFY for existing customers during a multi-year drought period. The deficit grows to approximately 5,690 AFY in 2045 for a multi-year drought period.

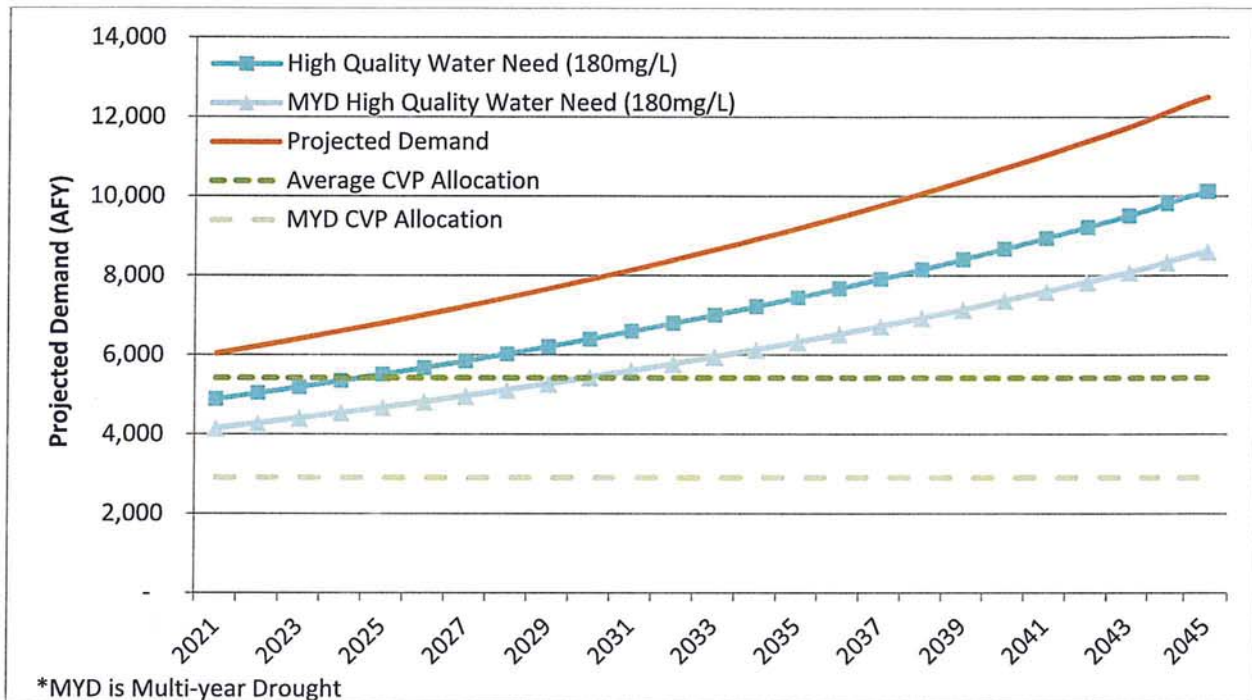


Figure 4-2. Projected Demand, Demand for High-quality Water, and Available CVP Water

4.2.4 Opportunity to Maximize Available CVP Water

As previously described, SBCWD’s primary surface water source is through the CVP and its infrastructure. The CVP supply is subject to availability, which therefore imposes risks during drought conditions. The 2020 Annual Groundwater Report predicts a declining availability of CVP supply in the future due to climate and hydrological changes. This reduced availability requires SBCWD to expand its supply portfolio and to store and retain excess supply in times of surplus, so that it is not limited to only groundwater supply or spot market purchases during dry years.

Based on past analyses, there are approximately 6,000 AFY of excess CVP water (including both agricultural and M&I water) in about 25 percent of years. This is illustrated in Figure 4-3. Further, historical use of the agricultural CVP entitlement has not exceeded 24,000 AFY, even in years when the full contract amount of 35,550 AFY is available.

Section 4.3 and 4.4 describe alternatives that provide storage or supply expansion opportunities.

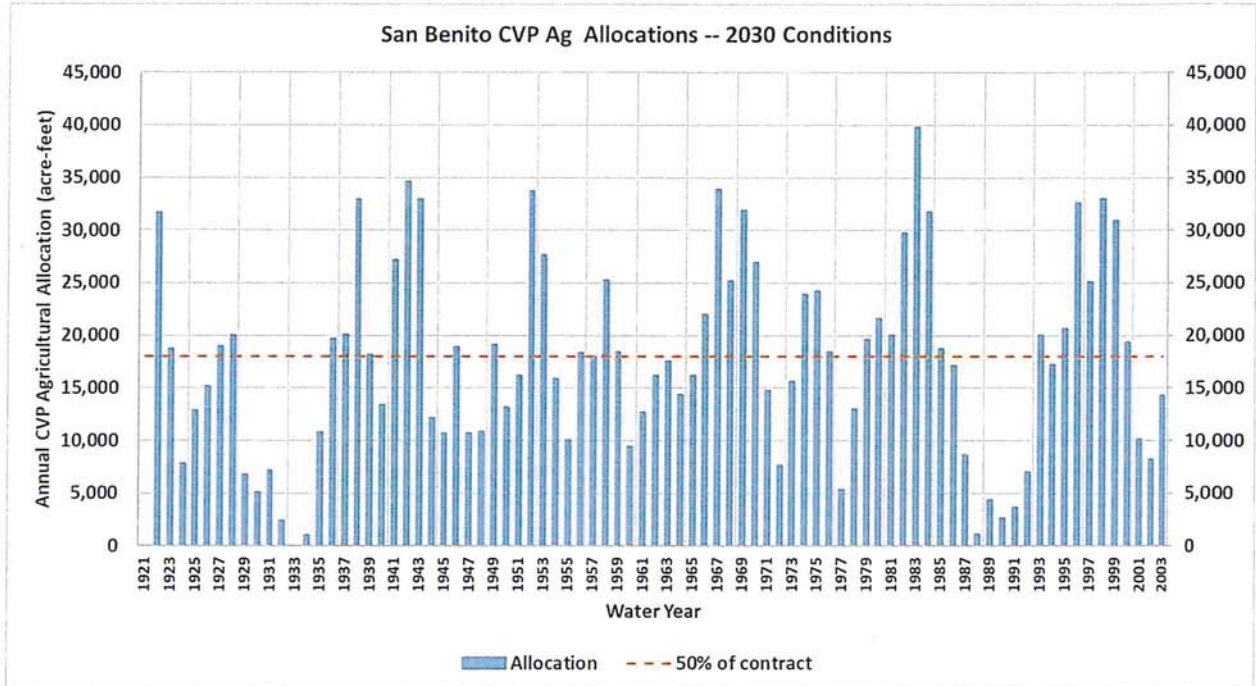


Figure 4-3. Excess CVP Allocations

Source: Todd Groundwater, 2020

4.3 Surface Water

The following surface water storage options, including both imported and local supplies, were considered as part of this Master Plan update:

- ◆ Paicines Reservoir Expansion
- ◆ San Justo Reservoir Expansion
- ◆ New Hawkins Reservoir
- ◆ New Reservoir in Lone Tree Valley
- ◆ B.F. Sisk Dam Raise
- ◆ Pacheco Reservoir Expansion Project
- ◆ Semitropic Water Bank

The locations of these options are illustrated in Figure 4-4, and each is described in the following subsections. For planning purposes, a goal of 6,000 AF was established for the capacity of the new local reservoirs. This goal is consistent with the range of growth in projected water demand for high-quality water (5,000 to 6,000 AFY) and the estimated availability of unused CVP water during wet years (6,000 AF).

4.3.1 Paicines Reservoir Expansion

The Paicines Reservoir is an existing off-stream reservoir located between the San Benito River and Tres Pinos Creek approximately 5 miles south of Tres Pinos. It is owned by SBCWD and is filled by water diverted from the San Benito River, with some of the diversions consisting of natural runoff and some consisting of redirection of water stored and released from Hernandez

Reservoir. The stored water is released for percolation to Tres Pinos Creek and the San Benito River to provide additional groundwater recharge during the dry season.

The existing reservoir has a maximum water surface elevation (WSE) of 695 feet and a berm height of 699 feet. There is approximately 2,870 AF of storage at the reservoir. Raising the dam by 15 feet would provide a new maximum WSE of approximately 710 feet and add an additional 2,600 AF of storage, for a total capacity of approximately 5,500 AF. The following major facilities and improvements would be required for the reservoir expansion:

- ◆ Reservoir improvements including increasing the height of the earthen embankment dam with an assumed 4:1 (H:V) upstream slope and 3:1 (H:V) downstream slope. The existing dam would need to be excavated to the foundation and the new dam built in its place.
- ◆ Improvements to intakes and outlets, and improvements to dam access.
- ◆ Minor repair of existing seepage issues.
- ◆ A new pipeline and pump station from the Hollister Conduit. The pipeline would connect the reservoir to Subsystem 9 of the Hollister Conduit. The pump station and pipeline would be sized to transfer available excess CVP water during the winter months.

Since the reservoir's WSE would increase, the existing gravity-fed inlet canal could not supply water, and a new pump station would also be required.

4.3.2 San Justo Reservoir Expansion

San Justo Reservoir is the terminal reservoir for the Hollister Conduit and stores imported CVP water for M&I and agricultural use. The reservoir, which has 10,300 AF of existing storage for municipal and agricultural use, is owned by USBR and is operated and maintained by SBCWD.

The current maximum WSE of 504 feet could be raised by 20 feet, adding an additional 3,400 AF of storage at the reservoir. Since the reservoir is directly supplied by the Hollister Conduit, no additional pipeline and pump station are required to increase storage capacity. However, the reservoir has ongoing seepage issues, previously estimated to be approximately 3,000 AFY. Significant improvements in the form of cutoff walls or a similar method would be required to prevent seepage.

The following improvements would be required to expand the reservoir's capacity:

- ◆ Reservoir improvements including increasing the height of the earthen embankment dam with an assumed 4:1 (H:V) upstream slope and 3:1 (H:V) downstream slope.
- ◆ Improvements to intakes and outlets, and improvements to dam access.
- ◆ Major repair to prevent seepage using cutoff walls or similar methods.

4.3.3 New Hawkins Reservoir

Hawkins Reservoir is owned by the San Benito Cattle Company and is located northeast of Hollister, approximately 4 miles east of the Hollister Conduit. The reservoir has an existing capacity of 575 AF and a maximum WSE of 660 feet. Because the reservoir is located in a

steep drainage area, approximately 6,000 AF of additional storage can be obtained by constructing a new dam and raising the reservoir's elevation by 80 feet to an elevation of 740 feet, for a new storage capacity of 6,600 AF. However, due to the increase in storage capacity, the entire dam would need to be demolished and reconstructed. The following facilities and improvements would be required to expand the reservoir's capacity:

- ◆ New 80-foot-high, 1,200-foot-long and 25-foot-wide dam with an assumed 4:1 (H:V) upstream slope and 3:1 (H:V) downstream slope.
- ◆ New inlet, outlet, and spillway facilities.
- ◆ Improvements to the existing access road to the dam.
- ◆ Significant care and measures to divert water from the drainage area during construction.
- ◆ New pipeline and pump station from the Hollister Conduit. The new pipeline would be connected north of the bifurcation structure to avoid introducing zebra mussels into the reservoir. The pump station and pipeline would be sized to transfer available excess CVP water during the winter months.

4.3.4 New Reservoir in Lone Tree Valley

Previous USBR studies evaluated the potential for a new reservoir on Lone Tree Creek. Several locations were considered based on design considerations to maximize storage available in a minimum footprint near the Hollister Conduit. Due to the presence of several narrow valleys near the Hollister Conduit east of Fairview Road, this area was evaluated for a new reservoir. The location shown in Figure 4-4 was chosen based on its ability to meet the siting design considerations. The following facilities and improvements would be required for a new 6,000 AF–capacity facility:

- ◆ New 200-foot-high (new WSE would be 1,235 feet), 1,800-foot-long and 25-foot-wide dam with an assumed 4:1 (H:V) upstream slope and 3:1 (H:V) downstream slope.
- ◆ New inlet, outlet, and spillway facilities.
- ◆ Improvements to the existing access road to the dam.
- ◆ Significant care and measures to divert water from the drainage area during construction.
- ◆ New pipeline and pump station from the Hollister Conduit. The pump station and pipeline would be sized to transfer available excess CVP water during the winter months.

4.3.5 B.F. Sisk Dam Raise

B.F. Sisk Dam is a 382-foot-high, zoned, compacted earth fill embankment dam. The dam is over 3.5 miles long and impounds San Luis Reservoir, which has a total capacity of more than 2 million AF. B.F. Sisk Dam is owned by USBR and operated by DWR. The reservoir's storage space is allotted 55 percent for the State and 45 percent federal.

USBR and DWR jointly planned the B.F. Sisk Safety of Dams Modification Project to reduce seismic risks. The Crest Raise alternative was selected as the preferred alternative to provide

seismic safety. A secondary project, which will raise the crest an additional 10-feet, will create an additional 130,000 AF of storage in San Luis Reservoir. The project is expected to be completed in 2031.

As an existing CVP contract holder with diversion from San Luis Reservoir, SBCWD will have the option to participate in the B.F. Sisk Dam Raise project. USBR is currently reviewing the participants and their desired shared of storage.

4.3.6 Pacheco Reservoir Expansion Project

Pacheco Reservoir, constructed in 1938, is owned and operated by PPWD. PPWD releases water from the reservoir to Pacheco Creek during the dry season to increase groundwater recharge in the Pacheco subbasin. The existing reservoir has an operational capacity of 5,500 AF.

SBCWD has been collaborating with Valley Water to identify potential opportunities to improve the facilities at Pacheco Reservoir and optimize the use of available storage for groundwater recharge primarily in San Benito County. The proposed expansion project includes constructing a new dam and reservoir, pump station, conveyance facilities, and miscellaneous infrastructure improvements. The proposed reservoir would have a total storage capacity of 140,000 AF. Approximately 40,000 AF would be allocated to enhance fish flow in Pacheco Creek and replace existing PPWD storage. Therefore, the net operational storage would be approximately 100,000 AF. The Draft EIR was released in November 2021 for public review.

SBCWD and PPWD are partners with Valley Water in the development of the PREP. SBCWD has an option to participate in the project at levels ranging from 2.5 percent up to 10 percent. Since the inception of the project, the estimated costs have increased from approximately \$1.1 billion to \$2.5 billion, raising concerns about economic feasibility. As a result, SBCWD is evaluating whether alternative participation strategies might be more appropriate, including, for example, conditional lease arrangements or short-term water transfers.

4.3.7 Semitropic Water Bank

As previously described in Section 2, SBCWD entered into a contract with Valley Water to store water in the Semitropic Water Bank. This agreement allows SBCWD to store up to 5,000 AFY in the Semitropic Water Bank. However, because the stored water originates from existing CVP contract supplies, this is not a net increase in overall supply. It is also important to note that water must be available in San Luis Reservoir in order to exercise this storage because the actual water for diversion would be from San Luis Reservoir. During severe drought years, such as 2014, diversions were not available. This agreement was subject to renewal in 2021.

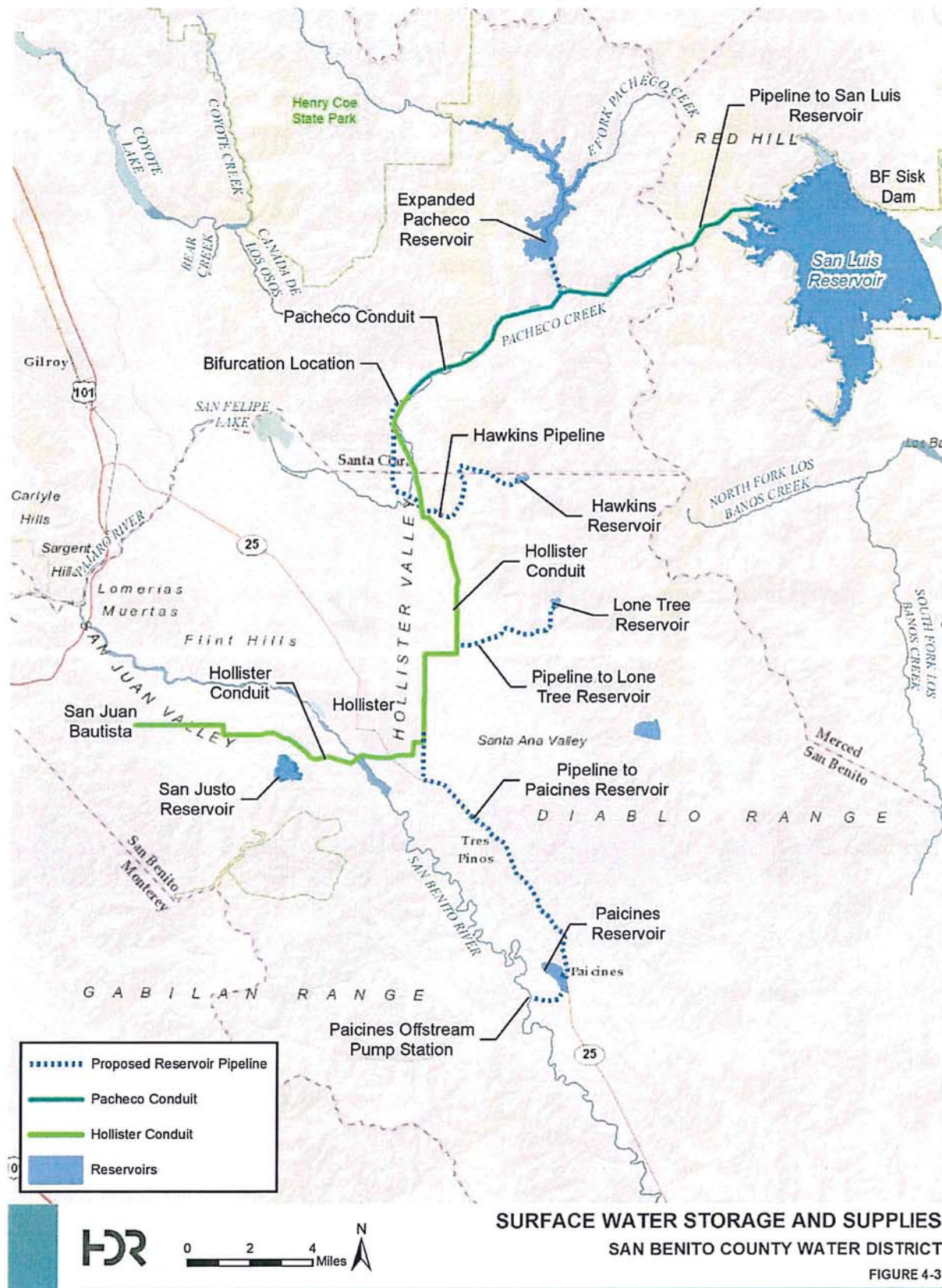


Figure 4-4. Locations of Potential Surface Water Storages and Supplies

4.4 Groundwater

Groundwater is a major source of supply for both M&I and agricultural users in San Benito County. Potential long-term water supply options using groundwater include improving water quality through treatment, developing new well fields, managed aquifer recharge, and potable reuse.

4.4.1 North Area Groundwater

The North Area groundwater consists of the Pacheco, the eastern portion of the Bolsa, and the northern portions of the Hollister East groundwater subbasins as defined by SBCWD. Groundwater in this area originates from several different sources including percolation from local surface water in Pacheco Creek, Arroyo de las Viboras, and Arroyo Dos Picachos.

The source of water influences the quality of the groundwater, specifically the TDS concentration. Water originating from the south has TDS concentrations ranging from approximately 500 to 1,000 mg/L, whereas lower-TDS water (less than 500 mg/L) originates in the northern area of the basin near Pacheco Creek and near Arroyo de las Viboras to the east. There is also an area of historically high groundwater in the Bolsa subbasin. Previous studies have evaluated additional pumping in this area to alleviate the high groundwater conditions and potentially enhance recharge of higher-quality water into the North Area subbasins.

As an extension of the 2009 Coordinated Plan, an update to the groundwater model and evaluation of preliminary project configuration was completed for the North Area groundwater. The preliminary project configuration was based on pumping from seven North Area wells, as shown in Figure 4-5. The purpose of the modeling analysis was to determine the approximate sustainable yield of the low-TDS groundwater zone and identify a set of hypothetical well locations and pumping rates that would efficiently withdraw that yield. Based on these preliminary studies, a yield of up to 5,000 AFY during normal and wet years and 2,000 AFY during droughts appears feasible.

The project would consist of wells located adjacent to the Hollister Conduit to supply up to 2,000 AF of supply that would be pumped into the Hollister Conduit. The groundwater would be blended with CVP water in the Hollister Conduit to achieve water quality goals. The project would require treatment at a surface WTP, pipelines from the wells to the Hollister Conduit, and one or more booster pump stations. A phased approach could be implemented, with the first phase consisting of the four easterly wells closest to the Hollister Conduit.

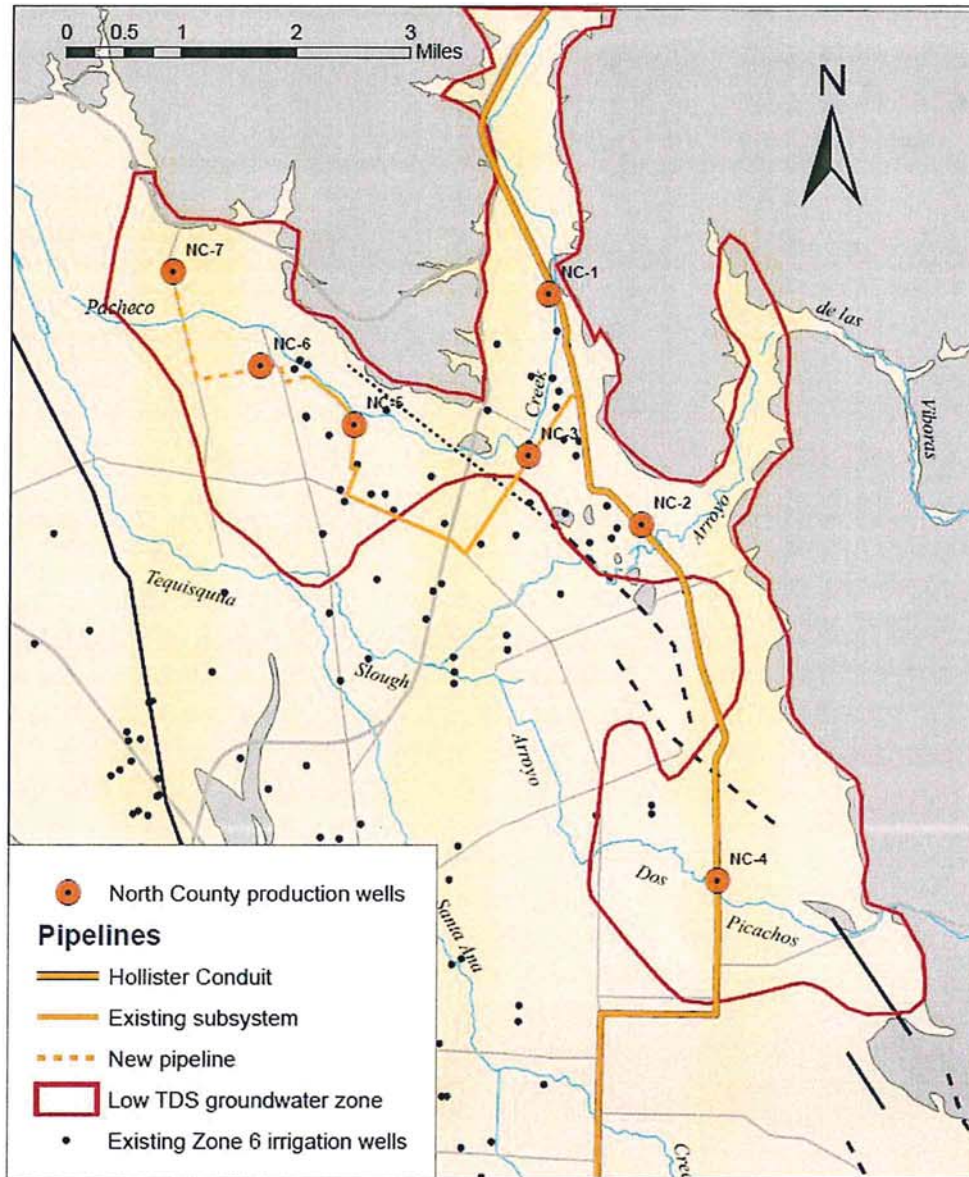


Figure 4-5. Preliminary Concept of North Area Groundwater Well

4.4.2 Local Wells Treated for M&I Use

With this option, groundwater from municipal wells would be demineralized or softened to reduce TDS and hardness and to provide other treatment goals. Individual wellhead treatment is a viable concept for the demineralization option. Softening groundwater could also be used as a treatment process instead of demineralization; however, it does not have the same treatment capability with respect to reducing TDS and hexavalent chromium. The treated groundwater would be blended with the existing CVP and remaining groundwater supplies in the distribution system. The demineralization facilities would have a design capacity of 6,000 AFY and would produce an annual average supply of approximately 3,000 AFY.

Operation and maintenance (O&M) costs are high for this alternative due to intensive energy costs and equipment replacement. Brine disposal is also costly for both capital and O&M costs.

4.4.3 Expanded Percolation

Source water for percolation consists of excess CVP water, treated wastewater effluent, and local surface water, as described in Section 2. None of the sources can be easily expanded to be significantly impactful to improve groundwater basin health. Aside from the limitation due to Dreissenid (zebra) mussels, percolation with CVP water might be limited in both frequency and quantity due to the rising need of CVP water to meet future demands and water quality goals. Increasing water demand will result in increasing wastewater flows; however, the amount of wastewater effluent available for percolation might not be significant and would compete with the demand for recycled water. Lastly, percolation water released from Hernandez and Paicines reservoirs depends hydrological conditions and is limited to the size of the reservoirs.

Groundwater recharge in the North Area is also heavily influenced by the activities of PPWD. PPWD includes areas in both Santa Clara County and northern San Benito County. Water released from Pacheco Reservoir is percolated into the groundwater in the North Area. A smaller, approximately 50 AF reservoir owned by PPWD is located on Arroyo de las Viboras.

Numerous studies and reports have been completed regarding the groundwater in the North County. As an extension of the 2009 Coordinated Plan, additional work was completed on preliminary facilities planning for the North County groundwater. This work included updating the groundwater model and evaluating a preliminary project configuration. The updated groundwater model was then used to simulate the operations of the proposed facilities.

The preliminary project configuration was based on pumping from seven North County wells, as shown on Figure 4-5. The locations and pumping rates for the wells were selected for this analysis on the basis of preliminary simulations. The purpose of the modeling analysis was to determine the approximate sustainable yield of the low-TDS groundwater zone.

4.4.4 Indirect Potable Reuse (IPR)

IPR uses an environmental buffer, such as a lake, river, or a groundwater aquifer, to treat and store treated wastewater effluent for future drinking water. Retrieved water must be treated at a drinking water treatment plant prior to distribution. An IPR project for the SBUA would rely on groundwater storage. Facilities required to implement IPR would consist of:

- ◆ New pure water treatment facility
- ◆ Pipelines from and to injection wells
- ◆ Injection/production wells
- ◆ Water treatment for extracted water
- ◆ Pipeline to the distribution system

Due to the extreme drought conditions in recent years, many agencies around the State are exploring options for indirect potable reuse. Given that the effluent from the City's WRF is either percolated to the groundwater basin or reused for agricultural irrigation, potable reuse might not be a cost-effective water supply solution for the SBUA and, similar to enhanced percolation, might be in competition with the demand for recycled water. Similarly, the effluent from the Ridgemark Wastewater Treatment Plant is also percolated to the groundwater basin.

4.4.5 Aquifer Storage and Recovery (ASR)

ASR is the direct injection of surface water in an aquifer using injection wells for later recovery and use utilizing the same well. The design of the ASR system would be based on using up to 6,000 AF of excess CVP water during a wet year to be stored in the aquifer and recovering up to 6,000 AF during dry years. A portion of the water available can also be used to directly supply potable water to the northern portion of the HUA distribution system to meet average day demands in the area and improve water quality during a wet year.

As shown in the conceptual layout in Figure 4-6, the facilities required for the ASR alternative include pipelines to divert water from the Hollister Conduit, eleven injection wells located over an area northeast of the Hollister Municipal Airport, a WTP with clearwell to treat water before injection and after recovery from the ground, pipelines to convey water from the WTP to the injection wells, and pipelines to send treated water to the distribution system.

An ASR Feasibility Study was completed in late 2021 which concluded that a pilot project is needed to confirm feasibility and establish operational parameters. During the pilot phase (Phase 1), potable water from the distribution system would be used for groundwater injection and later extracted. If the project is confirmed feasible, it could be constructed in phases, with Phase 2 estimated to produce 1,000 AFY of recovered water, and Phase 3 adding another 1,190 AFY recovery water during dry years.

4.5 Potential Future Regulations

This section discusses emerging drinking water regulations that SBCWD should consider when carrying out facility planning. These potential rules and regulations should be revisited in future Master Plan updates.

Water Quality. EPA publishes a Contaminant Candidate List (CCL) every 5 years. The CCLs list contaminants that are currently not subject to national primary drinking water regulations but are known or anticipated to be present in public water systems. From the CCLs, selected contaminants are monitored to track occurrences in water systems by the Unregulated Contaminants Monitoring Rule. In California, DDW collects and reviews the monitoring data. When deemed necessary, DDW would request a hazard assessment from the California Office of Environmental Health Hazard Assessment (OEHHA). OEHHA sets limits such as the Public Health Goals and recommendations of Notification Levels (NLs). These limits are then reviewed and implemented by the State Board.

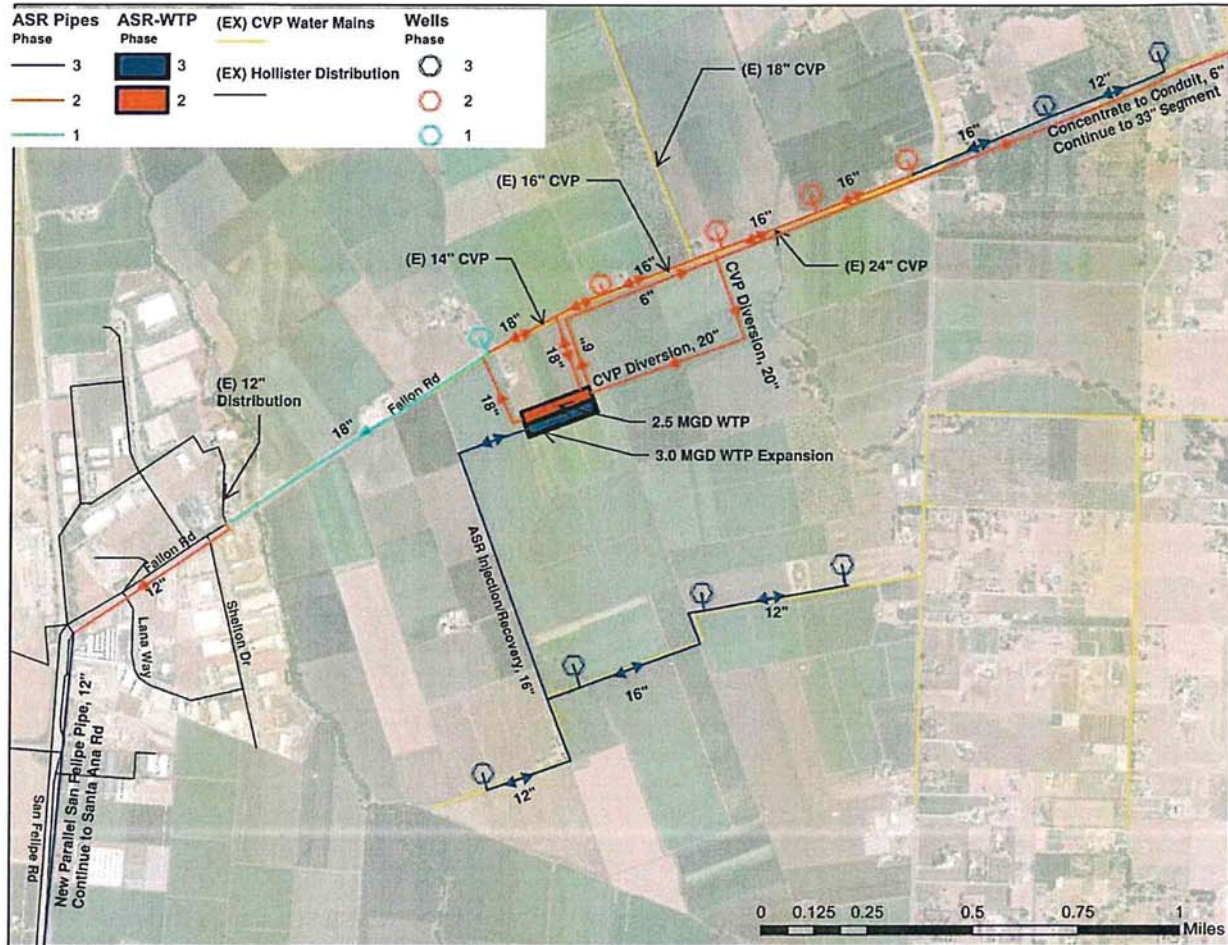


Figure 4-6. Conceptual ASR Phasing and Facility Layout

Potential constituents that may require treatment upgrade or further monitoring:

Hexavalent Chromium. Since the reversion of the hexavalent chromium MCL in 2017, the State Board has progressed in reissuing the MCL of 10 ppb. In March 2022, the State Board issued the notice of public workshop and comment opportunity of the hexavalent chromium MCL Administrative Draft. Two workshops were held in early April 2022. Both the City and SSCWD had developed compliance plans to address the 10 ppb MCL prior to the DDW reversal in 2017, as detailed in the 2017 Master Plan Update.

◆ **Cyanotoxins.** In response to increasing reports of harmful algal blooms in California's water system, OEHHA issued short-term NLs for four cyanotoxins:

- Anatoxin-a: 4 ppb
- Saxitoxins: short-term 0.6 ppb
- Microcystins: short-term 0.03 ppb
- Cylindrospermopsin: short-term 0.3 ppb

- ◆ **Perfluorooctanoic Acid (PFOA) and Perfluorooctanesulfonic Acid (PFOS).** Through various revisions, in February 2020, the State Board updated the NLs for PFOA and PFOS to be 10 parts per trillion (ppt) and 40 ppt, respectively. OEHHA continues to research and update the Public Health Goals for PFOA and PFOS.
- ◆ **Perfluorobutane Sulfonic Acid (PFBS).** In March 2021, DDW issued the drinking water NL of PFBS to be 0.5 ppb.
- ◆ **Other PFAS Chemicals.** PFOA and PFOS are the most well-known PFAS chemicals. There are other PFAS chemicals for which DDW has requested OEHHA's NL recommendations:
 - perfluorohexane sulfonic acid (PFHxS) – In March 2022, OEHHA published the NL recommendation for PFHxS to be 2 ppt.
 - perfluorobutane sulfonic acid (PFBS)
 - perfluorohexanoic acid (PFHxA)
 - perfluoroheptanoic acid (PFHpA)
 - perfluorononanoic acid (PFNA)
 - perfluorodecanoic acid (PFDA)
 - 4,8-dioxia-3H-perflourononanoic acid (ADONA)

Infrastructure. The Lead and Copper Rule aims to remove 100 percent of lead service lines, prioritizing communities that are disproportionately affected by lead contamination. The latest revisions require water systems to report the lead service line inventories by October 2024.

Recycled water quality is also directly linked to drinking water quality improvements in TDS.

4.6 Screening Criteria

Screening criteria were developed to prioritize the long-term water supply options. The criteria are described below.

- ◆ **Increases Use of Existing CVP Allocations.** Limited surface water storage capability, limited percolation facilities, and operational constraints from the presence of zebra mussels limit the ability to fully utilize CVP allocations available during wet years. Options will be evaluated based on their ability to maximize the beneficial use or storage of an additional 6,000 AF of CVP allocations available during wet years. Alternative supplies will be considered if they provide an equivalent quantity of water in a cost-effective manner.
- ◆ **Increases Dry-year Water Supply Reliability.** This criterion is defined as contributing to a diverse portfolio of water supply sources with the ability to provide sustained yield during extended dry periods. Projects that provide new water supply and/or have the potential to provide carryover storage from wet years would meet this criterion.

- ◆ **Maximizes Local Control and Resources.** This criterion evaluates options based on whether the MOU partners have local control of water supplies and the ability to implement projects locally.
- ◆ **Minimizes Implementation Risk.** This criterion is defined as minimizing implementation risks due to environmental impacts, permitting, and/or community opposition. This criterion includes the potential for phased implementation to increase flexibility and affordability.
- ◆ **Minimizes Cost.** Both capital and O&M costs were developed for each of the alternatives. Costs were combined with estimates of capacity and yield to provide a comprehensive evaluation. The primary metric is the annualized cost per AF of yield. The yield metric is the best economic measure since it best reflects the value of water generated by an alternative. A secondary metric is the present-value cost per AF of capacity. The capacity metric represents how much water could be physically supplied but does not account for water supply availability, especially during dry years.

It is assumed that each option will include required treatment facilities, blending, or other measures to meet drinking water quality goals.

4.7 Summary Comparison of Alternatives

The screening criteria described in Section 4.6 were applied to long-term water supply options to establish priorities for future implementation. Several workshops were held from October through December 2021 with the agencies to complete the analysis and evaluate the results. Table 4-6 summarizes the results of the screening process, and Table 4-8 summarizes the prioritization of long-term water supply options.

The total screening scores in Table 4-6 were established by scoring each alternative against each screening criterion. The score ranges from 1 to 3, with 3 being the best fit under a specific criterion. Alternatives with a total score of 10 or more were carried forward for further analysis, specifically for capital cost and yield cost. The capital cost and yield cost comparisons are tabulated in Table 4-7. The results of further evaluation are summarized in Table 4-8.

Priorities were given to projects to establish the relative amount of resources and timing to be applied to the long-term water supply options. Priority levels might be adjusted going forward based on the availability of additional data and analyses, changes in technology, affordability, or other factors determined by the agencies.



Table 4-6. Screening of Long-term Water Supply Options

Options	Screening Criteria				Screening Score	Comments
	Increases Use of Existing CVP Allocations	Increases Dry-year Water Supply Reliability	Maximizes Local Control and Resources	Minimizes Implementation Risks		
Surface Water						
Expand Paicines Reservoir	3	3	3	1	10	Significant permitting/environmental issues
Expand San Justo Reservoir	3	3	3	1	10	Significant permitting/environmental issues, seepage
New Hawkins Reservoir	3	3	3	1	10	Permitting/environmental issues, need of land acquisition
New Reservoir in Lone Tree	3	3	3	1	10	Permitting/environmental issues, need of land acquisition
B.F. Sisk Dam Raise	3	3	1	2	9	Strong agency support/contract in good shape for access to supply
Pacheco Reservoir Expansion	3	3	1	2	9	High cost
Semitropic Water Bank	1	1	1	2	5	Dry-year retrieval concerns, 10% loss allowable by contract
Groundwater						
North Area Groundwater	1	2	3	3	9	Less water available during dry years
Local Wells Treated for M&I Use	1	2	3	2	8	Significant costs, permitting issues, need of reject disposal, no new water during dry years
Expanded Percolation	3	1	3	1	8	Permitting/environmental issues, need of land acquisition, evaporative losses
Indirect Potable Reuse	1	1	3	1	6	Permitting/environmental issues, challenging to gather public support, no new water during dry years
Aquifer Storage and Recharge	3	2	3	2	10	Permitting/environmental issues

CVP – Central Valley Project, M&I – municipal & industrial

Table 4-7. Comparison of Capital Costs and Yield Costs Among Alternatives above Screening Score of 10

Options	Capital Cost ¹			Yield Cost ¹				Relative Score ³
	Capital Cost (\$M)	Capacity (AF)	Capital Cost (\$/AF)	Annual Capital Cost (\$1,000s)	Annual O&M Cost (\$1,000s)	Total Annual Cost (\$1,000s)	Estimated Annual Yield ² (AFY)	
Surface Water								
Expand Paicines Reservoir	\$92	5,400	\$17,100	\$5,000	\$1,753	\$6,755	1,620	\$4,170
Expand San Justo Reservoir	\$137	3,400	\$40,300	\$7,450	\$1,788	\$9,273	1,020	\$9,060
New Hawkins Reservoir	\$279	6,000	\$46,500	\$15,170	\$2,282	\$17,452	1,800	\$9,700
New Reservoir in Lone Tree	\$324	6,000	\$54,000	\$17,616	\$2,367	\$19,983	1,800	\$11,200
B.F. Sisk Dam Raise	\$50	5,000	\$10,000	\$2,710	\$1,892	\$4,611	1,500	\$2,640
Pacheco Reservoir Expansion	\$137	6,000	\$22,900	\$7,438	\$1,063	\$8,501	720	\$11,900
Groundwater								
North Area Groundwater	\$25	2,000	\$12,200	\$1,326	\$1,999	\$3,325	1,400	\$2,380
Aquifer Storage and Recharge	\$86	6,000	\$12,900	\$4,698	\$2,547	\$7,248	2,190	\$3,110

\$M – millions of dollars, AF – acre-feet, AFY – acre-feet per year, CCI – Construction Cost Index, ENR – Engineering News-Record, O&M – operation and maintenance

1. Costs are referenced to the ENR, San Francisco Bay Area CCI Index for February 2021, at 13,110.
2. To provide a uniform basis for comparative evaluation of alternatives, assumptions were used based on the estimated frequency of hydrologic year types in CalSim modeling. Average annual yield is based on the weighted average during wet, normal, and dry years. Wet years were assumed to have a frequency of 30%, and normal and dry years a 35% frequency.
3. Relative scores were established based on the relative cost in comparison to other options. Those options with the lowest relative costs were assigned a 3, whereas the options with the highest costs were assigned a 1.

Table 4-8. Evaluation of Long-term Water Supply Alternatives

Options	Screening Score	Capital Cost Score	Yield Cost Score	Total Score	Priority	Comments
Surface Water						
Expand Paicines Reservoir	10	2	2	14	Future	Significant permitting/environmental issues and uncertainty about feasibility.
Expand San Justo Reservoir	10	1	1	12	Future	Significant permitting/environmental issues, seepage
New Hawkins Reservoir	10	1	1	12	Future	Permitting/environmental issues, need of land acquisition
New Reservoir in Lone Tree	10	1	1	12	Future	Permitting/environmental issues, need of land acquisition
B.F. Sisk Dam Raise	9	3	3	15	3	Strong agency support/contract in good shape for access to supply
Pacheco Reservoir Expansion Project	9	2	1	12	4	High cost
Groundwater						
North Area Groundwater	9	3	3	15	2	Less water available during dry years
Aquifer Storage and Recharge	10	3	3	16	1	Permitting/environmental issues

Four projects were selected to be considered for future development. This range of projects is to ensure that the agencies have the flexibility to choose which projects to implement as conditions change. These four projects are prioritized based on key criteria such as cost, increase in supply, and local control. These projects should provide a framework for future facility expansions.

- ◆ **Priority 1.** The ASR alternative has the highest priority due to relative low capital and yield costs, its ability to flexibly use the excess CVP supply, and the option to implement it in phases.
- ◆ **Priority 2.** Similarly, the North Area Groundwater alternative has the second priority due to lower costs. Although this option does not increase the use of CVP supply, it increases the amount of water available and will solve the high groundwater issue in the project area.
- ◆ **Priority 3.** The B.F. Sisk Dam Raise project has strong federal support, and SBCWD is negotiating its level of participation (i.e., volume of storage and cost share). The costs are also comparable with the ASR and North Area Groundwater projects. However, the earliest completion date is estimated to be 2031.
- ◆ **Priority 4.** SBCWD intends to participate in the Pacheco Reservoir Expansion project to secure extra storage capacity, supplemental to the B.F. Sisk Dam Raise project, and to foster interagency collaboration with Valley Water to collaborate on future projects. The exact nature of SBCWD's participation in PREP should continue to be evaluated due to the high costs.

Some preliminary studies have been completed for several of these options (i.e., North County Groundwater and ASR). Additional studies will be required to evaluate feasibility, estimated costs, and potential timing of these long-term water supply options.

All of the long-term water supply options listed in Table 4-8 should be retained as a menu of alternatives to contribute to a diverse water supply portfolio. Due to the inherent uncertainties in California's water supply (drought, environmental constraints, regulations, etc.), it is prudent to maintain maximum flexibility in planning for long-term water supplies. A summary of the long-term water supply options is provided in Table 4-9.



Table 4-9. Summary of Storage and Supply Capacities of Long-term Water Supply Options

Description	Estimated Storage and Supply Capacity (AF)	Annual Yield Capacity (AFY)
Surface Water		
Expand Paicines Reservoir	5,400 ¹	1,620
Expand San Justo Reservoir	3,400	1,020
New Hawkins Reservoir	6,000	1,800
New Reservoir in Lone Tree Valley	6,000	1,800
B.F. Sisk Dam Raise	5,000	1,500
Pacheco Reservoir Expansion	6,000	720
Groundwater		
North Area Groundwater	2,000 ²	1,400
Aquifer Storage and Recharge	6,000	2,190

AF – acre-feet per year, CVP – Central Valley Project, TBD – to be determined

Notes:

1. Based on the assumption that Paicines Reservoir would be repurposed for CVP water storage during wet years only.
2. Combined Phase 1 and Phase 2 capacity.

5 Facilities Evaluation

One of the primary objectives of this Master Plan Update is to evaluate the need, timing, and estimated costs of additional water supply, storage, and treatment improvements. This evaluation will assist the agencies in planning and budgeting for capital improvements.

5.1 Evaluation Criteria

The following evaluation criteria were used to evaluate the need, timing, and estimated costs for infrastructure improvements.

5.1.1 Timing of Needs to Meet Water Demands

As described in Section 3 and summarized in Table 5-1, significant increases in water demands are projected through 2045. The increase in water demand requires additional infrastructure for water supply and treatment.

Table 5-1. Projected Water Demand and Production Requirements

Demand Condition	Existing	2025	2030	2035	2040	2045
Total Demand and Water Production Requirements						
Demand (AFY)	5,560	6,810	7,900	9,190	10,710	12,500
ADD (mgd)	5.4	6.1	7.1	8.2	9.6	11.2
MMD (mgd)	8.1	9.1	10.6	12.3	14.3	16.7
MDD (mgd)	10.8	12.2	14.1	16.4	19.1	22.3
Demand for High-quality Water and Surface Water Treatment Production Requirements to Achieve 180 mg/L Hardness						
Demand (AFY)	4,503	5,515	6,400	7,450	8,680	10,120
ADD (mgd)	4.4	4.9	5.7	6.6	7.7	9.0
MMD (mgd)	6.6	7.4	8.6	10.0	11.6	13.5
MDD (mgd)	8.7	9.8	11.4	13.3	15.5	18.1

ADD – average daily demand, AF – acre-feet per year, MDD – maximum daily demand, mg/L – milligrams per liter, mgd – million gallons per day, MMD – maximum month demand

5.1.2 Ability to Meet Water Quality Goals

In addition to the increases in water demands, water quality considerations are a key component of identifying the need for new facilities.

Significant improvements have been made in drinking water quality. However, additional high-quality water supplies and facilities will be needed to achieve the drinking water goals established by the agencies.

The demand for new, high-quality water, which is needed to achieve an average annual, system-wide average hardness of 150 to 180 mg/L was illustrated in Figure 4-1. The increase in demand over time is also summarized in Table 5-1 for average day, maximum month, and maximum day demands.

5.1.3 Cost Estimates and Economics

Preliminary cost estimates have been developed for the projects and alternatives identified during the development of this Master Plan Update. Capital cost estimates were prepared by applying unit costs, cost curves, and recent bid data to the estimated quantities or capacities for proposed improvement projects. Unless otherwise noted, allowances were added for contingency (30 percent) and for engineering, administration, and permitting (30 percent).

All preliminary cost estimates have been adjusted to 2021 dollars since many of the key projects were evaluated during 2021. The basis for the estimates is the Engineering News-Record (ENR) Construction Cost Index (CCI) for the San Francisco Bay Area for February 2021, which is 13,110. Estimates should be considered a Class 5 cost estimate, which has a high-end range of +50 percent and low-end range of -20 percent. Mid-range values have been used for alternatives analysis and screening purposes.

5.2 Water Supply

The evaluation of long-term water supply options was presented in Section 4. The results of the analysis and prioritization are summarized in Table 4-8.

To provide a reliable water supply for M&I use in the SBUA, a robust portfolio should be maintained. This portfolio of water supplies includes groundwater, imported surface water supplies, and local surface water supplies, as described in Section 4.

The phasing of the new water supply projects, and their estimated average annual yield, is shown in Figure 5-1. Similarly, Figure 5-2 illustrates the phasing of the new water supply projects and their estimated annual yield during a multi-year drought period.

Both the ASR and the B.F. Sisk Dam Raise projects are storage projects which will allow for greater flexibility in how annual CVP allocations are managed, particularly in years when the allocations exceed demand. These projects will also provide storage for other sources of imported water, such as that from spot market purchases and/or long-term transfer contracts. In these instances, water can be purchased during normal and wet years, when water might be more readily available, and at a marginally lower cost, and stored for future use during dry years when CVP allocations are curtailed, and other sources of imported water are less available. This operational strategy will greatly improve the reliability of high-quality water for the SBUA.

If Phase 1 of the ASR project reveals that ASR is not feasible, then Phase 1 of the North Area Groundwater Project should be accelerated, such that it would take the place of the ASR project. In that case, this Master Plan Update should be updated to evaluate the priority and sequence of future water supply projects beyond completion of the B.F. Sisk Dam Raise.

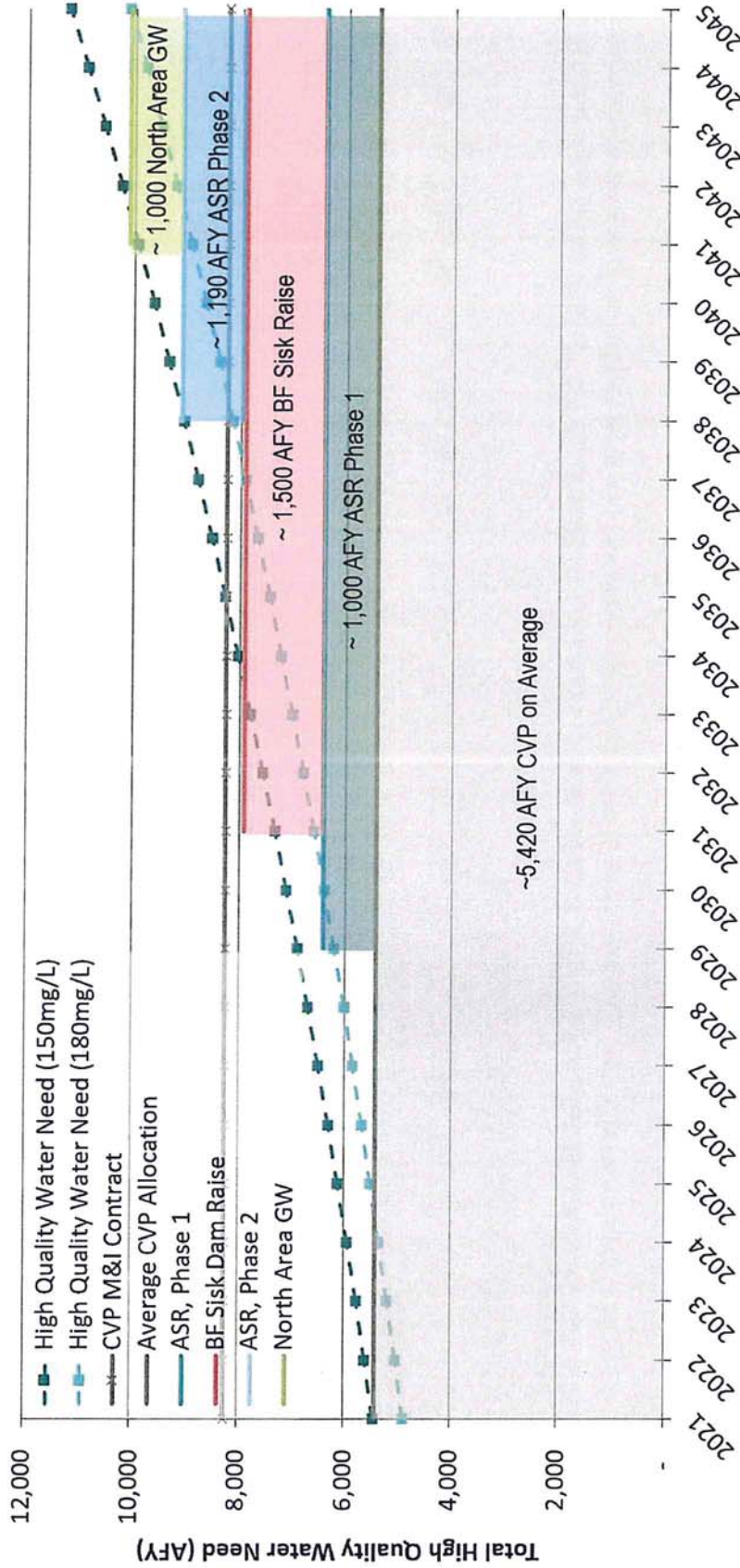


Figure 5-1. Water Supply Project Phasing and Average Annual Yield

Notes: The existing CVP contract entitlement is 8,250 AFY. However, even in years when allocations are 100 percent, the full amount is not available to be delivered to the treatment plants. That is because SBCWD allows for losses and has other commitments to small parcels, etc., for M&J deliveries. The average annual yield is an estimate based on the respective distribution of year types, assumed to be 30 percent wet year, 35 percent normal year, and 35 percent dry year. The M&J entitlement could be increased over time through conversion of agricultural water, which is allowed under the existing contract with USBR.

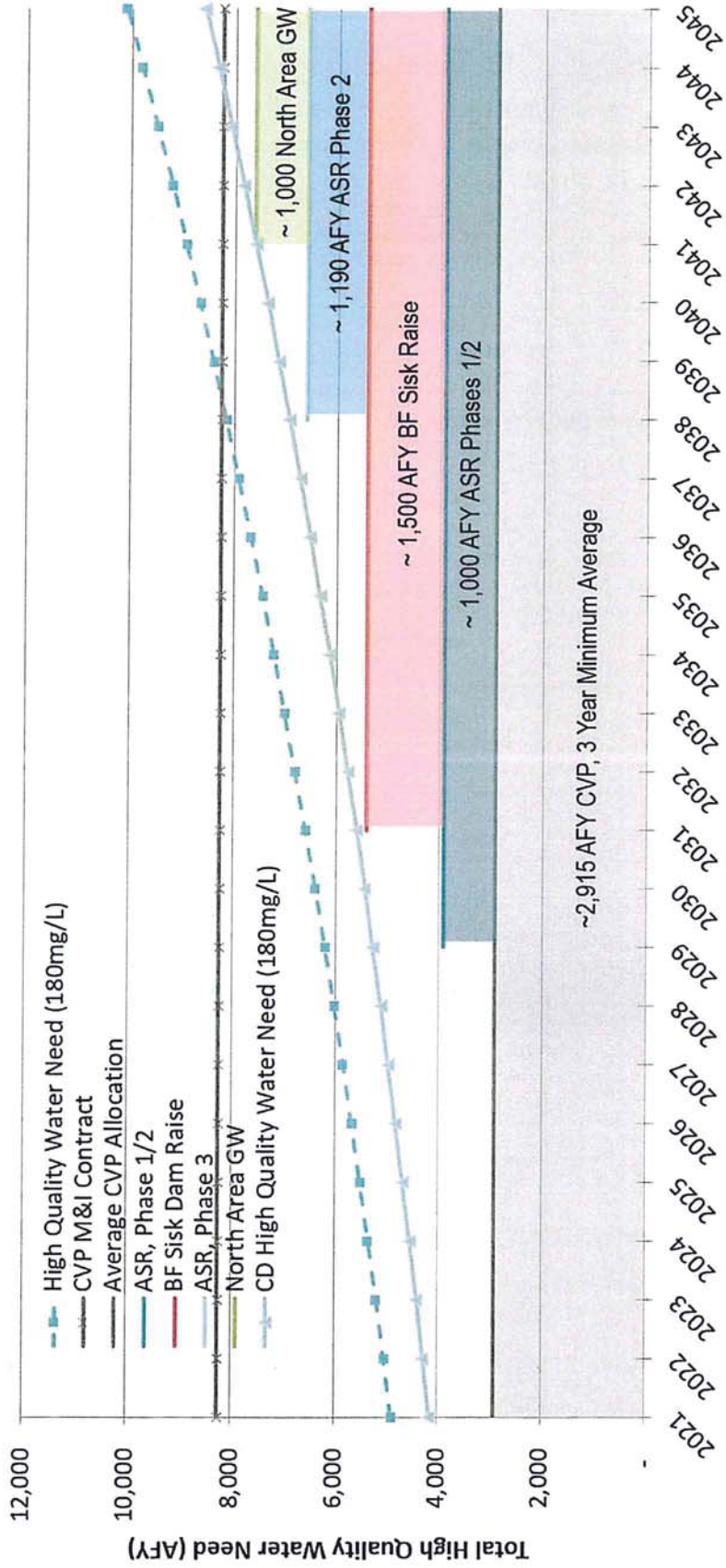


Figure 5-2. Water Supply Project Phasing and Annual Yield During a Multi-Year Drought

Notes: The available CVP allocation during a multi-year drought is estimated at 2,915 AFY based on the minimum 3-year average, which occurred between 2013 and 2015. During extended dry-year conditions, it might be necessary to relax the TDS and hardness goals. However, even during extended dry-year conditions, enough high-quality water supplies must be provided to meet the anticipated hexavalent chromium regulations. The CD (critically dry year) High-Quality Water Need above is based on a goal of meeting 85 percent of the need for high quality water in the second and subsequent years of a multi-year drought. Similar to average annual conditions, conservation of agricultural water to M&I supply could result in an increase of CVP water; however, storage is needed to provide reliability of supply during multi-year droughts.



5.3 Water Treatment and Transmission

Treated surface water and groundwater are delivered to the SBUA through SBCWD surface water treatment facilities and municipal wells and distribution systems.

5.3.1 Current Water Treatment Capacity

The Lessalt WTP and West Hills WTP provide high-quality treated surface water to the SBUA. The combined maximum production capacity of the two plants is 6.5 mgd (2.0 mgd for Lessalt and 4.5 mgd for West Hills). The West Hills WTP is designed for expansion to an ultimate maximum capacity of 9.0 mgd.

A comparison of the projected potable water demands, and the existing water production facilities is presented in Table 5-2. As shown, the combination of existing groundwater wells and surface WTPs have adequate production capacity to meet current and projected potable water demands through 2035. However, this comparison does not include the additional high-quality water needed to achieve the system-wide hardness goals.

Table 5-2. Evaluation of Treated Water Production Capacity

	Year					
	Existing	2025	2030	2035	2040	2045
Projected Demands (mgd)						
Average Day (ADD)	5.4	6.1	7.1	8.2	9.6	11.2
Maximum Month Daily Average (MMD) ¹	8.1	9.1	10.6	12.3	14.3	16.7
Maximum Day (MDD) ²	10.8	12.1	14.1	16.4	19.1	22.3
Projected HQ Water Demands (mgd)						
HQ ADD	4.0	4.9	5.7	6.6	7.7	9.0
HQ MMD	6.6	7.4	8.6	10.0	11.6	13.5
Production Facilities (mgd)						
Surface Water						
Lessalt WTP	2	2	2	2	2	2
West Hills WTP	4.5	4.5	4.5	4.5	4.5	4.5
Subtotal Surface Water	6.5	6.5	6.5	6.5	6.5	6.5
City Groundwater Wells ³						
No. 2 Bundeson (1,425 gpm)	2.05	2.05	2.05	2.05	2.05	2.05
No. 4 South (1,670 gpm)	2.40	2.40	2.40	2.40	2.40	2.40
No. 5 Nash (1,825 gpm)	2.63	2.63	2.63	2.63	2.63	2.63
No. 6 Airline (435 gpm) ⁴	0	0	0	0	0	0
Subtotal City Wells	7.09	7.09	7.09	7.09	7.09	7.09
SSCWD Groundwater Wells ⁵						
No. 2 Southside (1,095 gpm)	1.58	1.58	1.58	1.58	1.58	1.58
No. 5 Ridgemark (900 gpm)	1.30	1.30	1.30	1.30	1.30	1.30
No. 7 Enterprise (625 gpm) ⁶	0.90	0.90	0.90	0.90	0.90	0.90
No. 8 Ridgemark (1,065 gpm)	1.53	1.53	1.53	1.53	1.53	1.53
No. 11 Lico (1,200 gpm)	1.73	1.73	1.73	1.73	1.73	1.73
Subtotal SSCWD Wells	7.03	7.03	7.03	7.03	7.03	7.03

	Year					
	Existing	2025	2030	2035	2040	2045
SJB Groundwater Wells ⁷						
Well 1 (175 gpm)	0.25	0.25	0.25	0.25	0.25	0.25
Well 5 (425 gpm)	0.61	0.61	0.61	0.61	0.61	0.61
Well 6 (450 gpm) ⁸	0	0	0	0	0	0
<i>Subtotal SJB Wells</i>	<i>0.86</i>	<i>0.86</i>	<i>0.86</i>	<i>0.86</i>	<i>0.86</i>	<i>0.86</i>
Subtotal Groundwater	14.98	14.98	14.98	14.98	14.98	14.198
Total Production Facilities	21.48	21.48	21.48	21.48	21.48	21.48
Total Production Firm Capacity⁹	18.85	18.85	18.85	18.85	18.85	18.85
ADD Surplus / (Deficit)¹⁰	13.5	12.8	11.8	10.7	9.3	7.7
MMD Surplus / (Deficit)¹⁰	10.8	9.8	8.3	6.6	4.6	2.2
MDD Surplus / (Deficit)¹⁰	8.1	6.8	4.8	2.5	(0.3)	(3.5)

City – City of Hollister, gpm – gallons per minute, MDD – maximum daily demand, mgd – million gallons per day, MMD – maximum month demand, No. – number, SSCWD – Sunnyslope County Water District, WTP – water treatment plant

Notes:

1. Maximum Month Daily Average = 1.5 × Average Day.
2. Maximum Day = 2.0 × Average Day.
3. All operating City wells are above the potential Chromium VI MCL. The compliance plan developed in 2017 planned for Well 2, 4 and 5 to blend with WHWTP treated water.
4. City Well No. 6 (0.61 mgd) is offline with no plans to rehabilitate.
5. SSCWD Well 7 is above the potential Chromium VI MCL level, and Well 8 has been historically above the MCL during drought years, but is currently under the MCL limit. The compliance plan developed in 2017 planned for blending at Well 7 and shutting down Well 8 when deemed necessary, as Well 8 does not have a feasible blending option.
6. SSCWD Well No. 7's design capacity is 760 gpm but throttled to 625 gpm for Chromium VI Compliance.
7. Source: 2020 City of San Juan Bautista Water Master Plan. SJB's past testings show that the city's groundwater supply is below the potential Chromium VI MCL.
8. SJB Well 6 is offline due to high nitrite levels.
9. Firm capacity assumes the largest well, City Well No. 4 (2.63 mgd) is out of service, and that water can be fed back from SSCWD's system to the City's system through existing interties.
10. Rounded.

As described in Section 4.2.2, drinking water quality goals are a major driver for future water system infrastructure improvements. Figure 4-1 illustrated the demand for additional high-quality water, and Table 5-2 summarized surface water treatment capacity needed to achieve total average day and maximum month demands.

In comparison to the existing maximum production capacity of the existing Lessalt and West Hills WTPs, there is a slight deficit under existing conditions during the maximum month condition. That deficit grows over the planning horizon. The production capacity of the existing plants is sufficient to meet average day high-quality demands through about 2035.

Recognizing that there is already a deficit of existing treatment capacity during the maximum month condition and that the average yield of the existing CVP supplies is insufficient to meet future demands, three water quality alternatives were considered. These near-term alternatives

consider expanding the treatment capacity to provide additional high-quality surface water to the distribution system to achieve the drinking water quality goals. These alternatives include a combination of treatment and water supply strategies that would be implemented in the near term until Phase 2 of the ASR project comes online in approximately 2029.

The three water quality alternatives are the following:

1. **Alternative 1: Achieve Average Day and Maximum Month Water Quality Targets** with a near-term expansion of the West Hills WTP to a capacity of 6.75 mgd and augment CVP supply with spot market purchases while pursuing implementation of the ASR Phase 2 project and the B.F. Sisk Dam Raise.
2. **Alternative 2: Achieve Average Day Water Quality Targets (but not maximum month)** with additional imported surface water (e.g., conversion of agricultural water, long-term transfers, or spot market purchases) used to maximize production at the existing West Hills WTP while pursuing implementation of the ASR Phase 2 project and the B.F. Sisk Dam Raise. This alternative does include expanding the West Hills WTP in the near term.
3. **Alternative 3: Optimize Treatment of Existing CVP Water** to achieve water quality targets in low-demand months. This alternative does not include expanding the West Hills WTP or spot market purchases in the near term. Water quality would continue to degrade during the summer months. Instead, this alternative would optimize treatment of existing CVP water while pursuing implementation of the ASR Phase 2 project and the B.F. Sisk Dam Raise.

Figure 5-3 illustrates the monthly ratio of surface water and groundwater in the system and the resulting average, system-wide hardness for each alternative. These values are based on the projected demand for 2029, which corresponds to the first year of operation of the ASR Phase 2 project (which would be the groundwater injection year).

Although each of the three alternatives is able to meet the total demand requirements, only Alternative 1 is able to meet the water quality hardness goal during the maximum month conditions in the near term. Alternative 2 would provide additional imported surface water via spot market purchases such that water quality could be improved throughout the year. Alternative 3 would substantially degrade water quality (i.e., hardness) during the summer months.

The evaluation of these alternatives is summarized in Table 5-3.

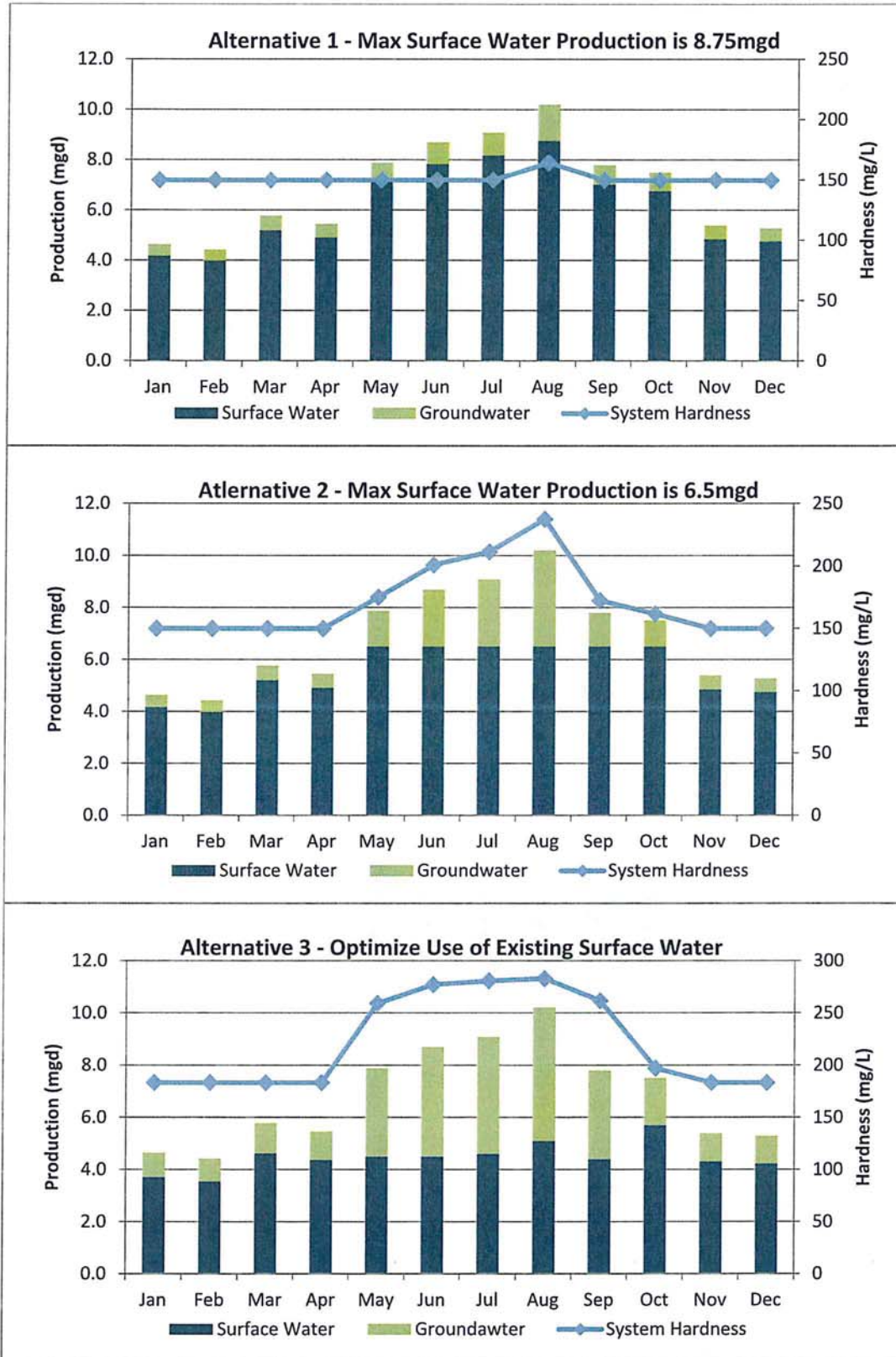


Figure 5-3. Near-term Water Quality Alternatives, System Average Hardness, 2029

Table 5-3. Evaluation of Near-term Water Quality Alternatives

	Alternative 1	Alternative 2	Alternative 3
Alternative Description	Expand West Hills + Spot Market Purchases	Maximize West Hills Production + Spot Market Purchases	Optimize Existing CVP Allocations at Existing Treatment Plants
10-Year Capital Investment for Project Components			
West Hills WTP Expansion ¹	\$11.2	-	-
Spot Market Purchases ²	\$8.8	\$6.7	-
Total 10-Year Cost	\$20	\$6.7	\$0
Meets Water Production Requirements?	Yes	Yes	Yes
Meets Water Quality Goals?	Meets ADD & MMD Hardness Goals	Meets Only ADD Hardness Goals	Does Not Meet Hardness Goals

ADD – average daily demand, AF – acre-feet, CVP – Central Valley Project, mg/L – milligrams per liter, mgd – million gallons per day, MMD – maximum month demand, WTP – water treatment plant

Notes:

1. Expand West Hills WTP by 2.25 mgd to a capacity of 6.75 mgd.
2. Present value of 10-year estimated spot purchases to achieve a target hardness of 180 mg/L and \$1,200 per AF.

Alternative 2 was selected as the preferred alternative because it can achieve the water quality goals the majority of the time while reducing near-term capital costs.

5.3.2 Water Transmission

The City, SJB, and SSCWD have Capital Improvement Programs (CIPs) to address the repair of, replacement of, and upgrades to their respective water distribution systems. Water distribution facilities for new development are the responsibility of the developer. The following subsections address only major improvements to the water transmission system that are required to move treated surface water from the WTPs to the municipal systems for further distribution.

5.3.2.1 SAN JUAN BAUTISTA PIPELINE

As described in Section 1.5, SJB was fined by EPA for violating discharge limits at its wastewater facility due in part to high sodium, chloride, and TDS concentrations. As part of the resolution, SJB evaluated options for higher-quality source water for its municipal customers and reached an agreement with SBCWD to divert treated water from the West Hills WTP. The San Juan Bautista Pipeline will form the infrastructure backbone for delivering high-quality surface water from the West Hills WTP to SJB to improve water quality in the distribution system. The pipeline is a 10-inch-diameter, gravity-fed, treated water transmission pipeline that will extend approximately 6.75 miles from the West hills WTP to SJB’s distribution system, where it will connect near Well No. 6. A conceptual alignment is illustrated in Figure 5-4.

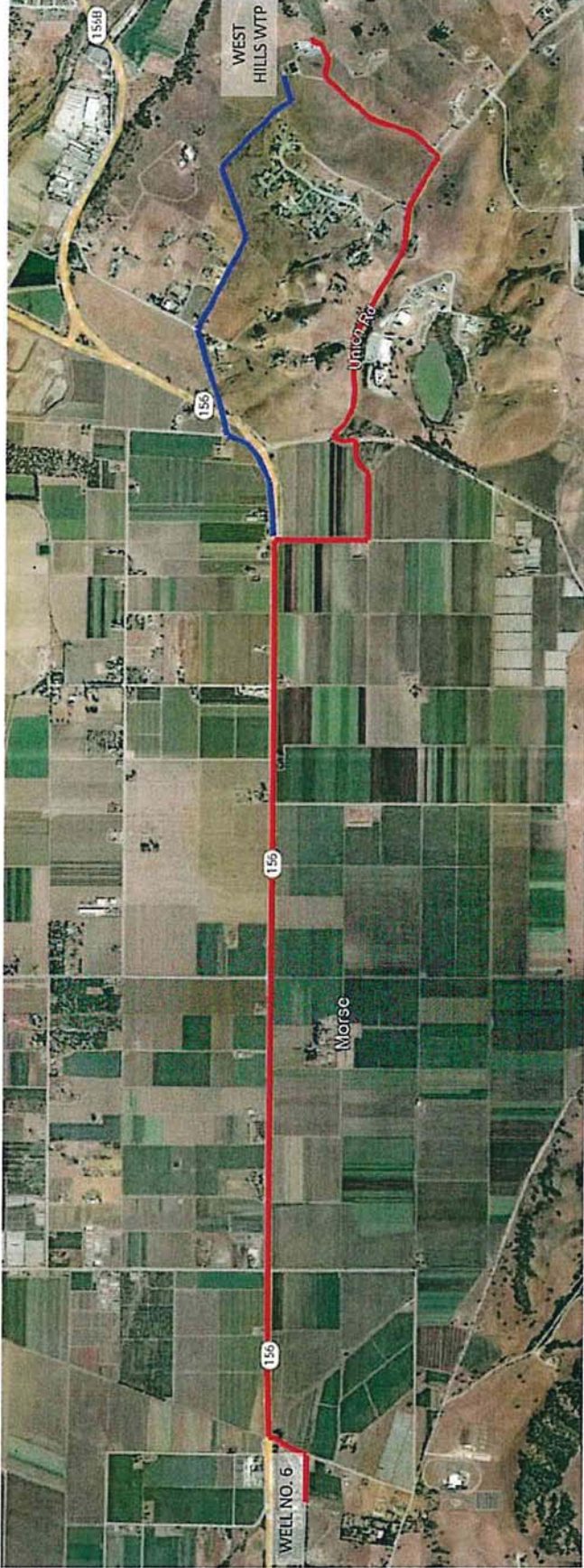


Figure 5-4. Conceptual San Juan Bautista Pipeline Alignments

5.4 Water Conservation

The Water Resources Association of San Benito County’s existing water conservation program should be continued and expanded as appropriate to continue bringing awareness to water use efficiencies, conservation opportunities, and waste avoidance.

5.5 Summary of Facilities Evaluation

Based on the information presented, recommendations were developed for water supply, water treatment, and water transmission. The recommended facilities are summarized in Table 5-4.

Table 5-4. Recommended Facilities

Description ¹	Estimated Cost (\$M) and Timeframe						Total
	2023	2024	2025	2026–2030	2031–2035	2036–2045	
Water Supply							
ASR Phase 1	5.3	0.9	0.9				7.1
ASR Phase 2 ²			2.9	38.4			41.3
B.F. Sisk Dam Raise ³	1.8	1.8	1.7	44.8			50.0
ASR Phase 3 ⁴					2.9	38.7	41.6
North Area Groundwater Phase 1 ⁵					0.3	13.8	14.0
Pacheco Reservoir							TBD
Spot Market Purchases ⁶	0.2	0.4	0.5	4.1	-	1.4	6.7
Subtotal	7.3	3.1	6.0	87.3	3.2	53.9	160.7
Water Treatment							
ASR Phase 2 (costs included above) ¹							-
ASR Phase 3 (costs included above) ⁴							-
Subtotal	-	-	-	-	-	-	-
Water Transmission							
San Juan Bautista Pipeline ⁷	8.7	4.0					12.7
Subtotal	8.7	4.0	-	-	-	-	12.7
Total	16.0	7.1	6.0	87.3	3.2	53.9	173.4

AF – acre-feet, AFY – acre-feet per year, ASR – aquifer storage and recovery, CCI – Construction Cost Index, ENR – Engineering News-Record, mg/L – milligrams per liter, mgd – million gallons per day, TBD – to be determined

Notes:

1. Costs are referenced to the ENR, San Francisco Bay Area CCI Index for February 2021, at 13,110. TBD costs to be determined based on further studies.
2. ASR Phase 2 has an annual yield of 1,000 AFY and includes a 2.5 mgd WTP.
3. Storage of 5,000 AF will provide an average annual yield of 1,500 AFY for dry-year reliability.
4. ASR Phase 3 has an annual yield of 1,190 AFY and includes an additional 3.0 mgd water treatment.
5. The North Area Groundwater Phase 1 project has a yield of 1,000 AFY.
6. Estimated spot purchases to achieve a system-wide average hardness target of 180 mg/L at \$1,200 per AF.
7. Based on the Class 4 estimate prepared and presented in the Basis of Design Report, October 2021.

The proposed phasing strategy for the water treatment facilities is presented in Figure 5-5. Note that if the ASR Project Phase 1 reveals that an ASR project is not feasible, an expansion of the West Hills WTP would be needed to replace the treatment capacity provided by the ASR project.

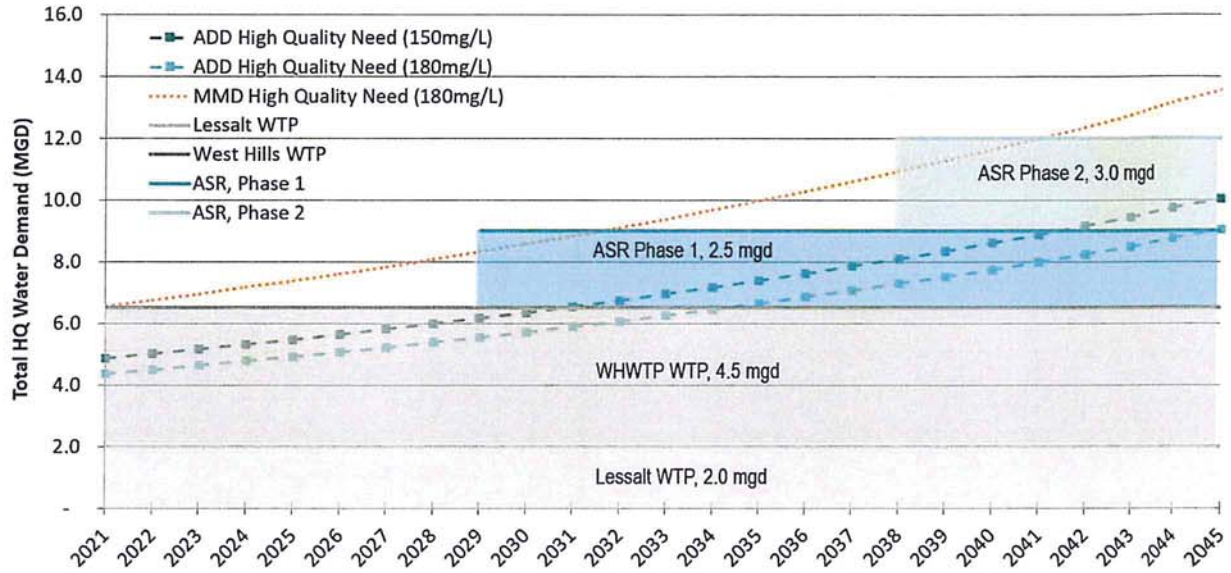


Figure 5-5. Proposed Phasing Strategy for Water Treatment Projects

6 Recommended Implementation Program

The 2008 Master Plan, and the subsequent 2017 Master Plan Update, provided the foundation for major improvements to the water and wastewater infrastructure in the region. Those improvements have provided significant benefits to drinking water quality, the ability to comply with waste discharge requirements, and the use of recycled water. This Master Plan Update provides recommended facilities and programs for additional water supply and treatment improvements through 2045.

NOTE TO READER: Following the completion of the water supply analysis presented in this Master Plan Update, the scope of ASR Phases 1 and 2 was updated to facilitate the pursuit of federal and state grant funding opportunities and ultimately deliver the project on an accelerated timeline. Although the facilities and phasing of the ASR project were updated, the total projected supply generated by the overall ASR program remains unchanged. Referred to as ADRoP (Accelerated Drought Response Project), the first phase of the ASR program now relies on the expansion of the West Hills WTP for treatment of imported water prior to injection, whereas the original project included a new dedicated water treatment plant. The first phase is also anticipated to include three to five ASR wells, capable of injecting 1,600 AFY to 2,700 AFY in wet years and generating an average annual yield of 650 AF to 1,035 AF. A more detailed description of ADRoP, including a full description of facilities, estimated cost and implementation schedule, is included in Appendix C.

6.1 Facilities and Programs

The facilities and programs recommended as part of this Master Plan Update are summarized in the following subsections.

6.1.1 Water Supply

The projected increase in water demand in the SBUA between now and 2045 is approximately 6,940 AFY (Table 3-1). The water quality goals for hardness and TDS drive the need for additional high-quality water supplies. The recommended priorities and actions for long-term water supply are summarized in Table 6-1. These recommendations are described in Section 4 and include continuation of ongoing programs and new projects requiring further investigation. All of the long-term water supply options should be retained as a menu of alternatives to contribute to a diverse and drought resilient water supply portfolio. Due to the inherent uncertainties in California water supply (drought, environmental constraints, regulations, etc.), it is prudent to maintain maximum flexibility in planning for long-term water supplies.

Table 6-1. Recommended Priorities and Actions for Long-term Water Supply Program

Description	Priority Level ¹	Estimated Average Annual Supply (AFY)	Recommended Action
Surface Water			
B.F. Sisk Dam Raise	3	1,500	Collaborate with USBR, Secure Storage Volume of 5,000 AF
PREP	4	TBD ²	Evaluate Appropriate Level of Engagement due to High Costs
Local Surface Water Storage	Future	TBD ³	Further Investigation Required
Groundwater			
ASR	1	1,000–2,190 ⁴	Conduct Pilot Study
North Area Groundwater	2	1,000–2,000 ⁵	Complete Feasibility and Environmental Studies
Ongoing Programs			
Water Conservation	1	— ⁶	Continue Existing Program
Imported Surface Water	1	As Needed ⁷	Continue Existing Program
Semitropic Water Bank	1	Drought Supply ⁸	Continue Existing Program
Local Wells for Large Landscape Areas	1	— ⁹	Continue Existing Program

AF – acre-feet, AF – acre-feet per year, ASR – aquifer storage and recovery, CVP – Central Valley Project, PREP – Pacheco Reservoir Expansion Project, TBD – to be determined, USBR – U.S. Bureau of Reclamation

Notes:

1. Priority level from Table 4-8.
2. Negotiations are required to determine the appropriate level of engagement.
3. Further investigations of an expansion of Paicines, or other local surface water storage options, is needed to confirm feasibility and yield.
4. Requires a pilot study to confirm feasibility. Could be implemented in phases.
5. Preliminary investigations indicated that up to 5,000 AFY during normal years and up to 2,000 AFY during dry years.
6. Significant reductions have already been achieved through regional efforts in water conservation. Further reductions to be determined based on results of ongoing efforts.
7. Conversion of Agricultural CVP water to M&I, long-term transfers, and/or spot market purchases are needed to augment M&I CVP supplies to meet water quality goals.
8. Semitropic Water Bank enhances dry-year reliability, but water might not be available during critically dry years if water is not available for diversion from San Luis Reservoir.
9. The demand for high quality water could be offset with this strategy. However, the volume of water has not been estimated.

As described throughout this Master Plan Update, additional high-quality water will be required to meet the TDS and hardness goals. While the current supply portfolio is capable of meeting the demand for existing customers in a normal year, additional water is needed to meet the demands of future growth. During normal years, the additional increment of high-quality water is estimated to be approximately 785 AFY by 2025, 2,690 AFY by 2035, and 5,380 AFY by 2045 with an 81 percent blend ratio (assuming a water quality similar to imported CVP water). Furthermore, during a multi-year drought, the existing M&I CVP supply is not sufficiently reliable to meet the demands of existing customers. An additional 1,250 AFY of high-quality water is needed to meet the demands of existing customers during a multi-year drought.

The water supply options listed in Table 6-1 provide “building blocks” to meet the need for high-quality water.

The quantity and timing of additional high-quality water needs will depend on actual demand growth, hydrologic conditions (wet, normal, and dry years), and allocations of existing CVP supplies by USBR. Both the ASR and B.F. Sisk Dam Raise projects will improve the reliability of the existing CVP water by providing opportunities for long-term storage of excess CVP water during wet years. That water would then be available during dry years, when CVP allocations are curtailed.

During extended dry-year conditions, it might be necessary to relax the TDS and hardness goals. However, even during extended dry-year conditions, sufficient high-quality water supply is needed to meet the anticipated hexavalent chromium regulations.

6.1.2 Water Supply and Treatment Facilities

The recommended water supply and treatment facilities are summarized in Table 6-2. Table 6-2 is limited to the facilities and improvements that are recommended for implementation through 2031, which coincides with the estimated completion schedule for the B.F. Sisk Dam Raise Project. Improvements needed beyond 2031 should be revisited in a subsequent Master Plan Update which should be completed no later than 2027. At that time, the actual growth in water demand, water quality requirements, new regulations, and other factors can be reconsidered to develop recommendations and for appropriate scope and timing for facilities beyond 2031.

6.2 Coordination with Related Planning Activities

Implementation of this Master Plan Update should be coordinated with other ongoing programs to provide opportunities for optimizing facilities sizing, reducing costs, and obtaining outside financing. Some of the major ongoing programs for coordination include the following:

- ◆ Local Water Distribution System Master Plans and Infrastructure Investments
- ◆ Groundwater Sustainability Plan
- ◆ Valley Water’s Pacheco Reservoir Expansion Project (PREP)
- ◆ Pajaro River Watershed Integrated Regional Water Management Program
- ◆ USBR’s San Luis Reservoir Low Point Improvement Project
- ◆ USBR’s B.F. Sisk Dam Seismic Upgrade and Dam Raise Project

Table 6-2. Estimated Costs, Schedule and Actions for Recommended Facilities

Description ¹	Estimated Cost (\$M) and Timeframe				Total	Recommended Action
	2023	2024	2025	2026–2031		
Water Supply and Treatment						
ASR Phase 1	5.3	0.9	0.9		7.1	Complete design and environmental studies
ASR Phase 2 ²			2.9	38.4	41.3	Complete Pilot Project and initiate design and environmental studies
B.F. Sisk Dam Raise ³	1.8	1.8	1.7	44.8	50.0	Collaborate with USBR and secure 5,000 AF storage
Imported Water ⁴	0.2	0.4	0.5	4.1	5.2	Purchase as needed to maximize production at West Hills WTP to meet water quality goals
Subtotal	7.3	3.1	6.0	87.3	103.6	
Water Transmission						
San Juan Bautista Pipeline	8.7	4.0			12.7	Confirm financing plans, design, and construct
Subtotal	8.7	4.0			12.7	
Total⁵	16.0	7.1	6.0	87.3	\$116.3	

\$M – millions of dollars, AF – acre-feet, ASR – aquifer storage and recovery, CCI – Construction Cost Index, CIP – capital improvement program, City – City of Hollister, ENR – Engineering News-Record, mgd – million gallons per day, SBCWD – San Benito County Water District, SJB – City of San Juan Bautista, SSCWD – Sunnyslope County Water District, USBR – U.S. Bureau of Reclamation, WTP – water treatment plant

Notes:

1. Costs are referenced to the ENR, San Francisco Bay Area CCI Index for February 2021, at 13,110.
2. ASR Phase 2 includes a 2.5 mgd WTP.
3. Costs provided by SBCWD. Project relies on state and federal partners.
4. Needed in the near term to maximize production of the West Hills WTP to meet system hardness goals. Costs estimated at \$1,200 per AF based on spot market purchases but could be lower if alternate imported sources are used (e.g., conversion of Ag CVP to M&I CVP).
5. Table does not include CIP costs for water distribution system improvements for the City, SJB, or SSCWD.

6.3 Water System Operations

To achieve the water quality goals, the SBUA will increasingly use treated surface water. Therefore, it is critical for the City, SJB, SSCWD, and SBCWD to cooperate in the efficient operation of the water supply, treatment, and distribution facilities.

The cooperation and coordination of system operations will be required to provide efficiencies and maximize the following benefits to consumers in the SBUA:

- ◆ Efficient use of limited high-quality water supplies
- ◆ Compliance with state and federal drinking water standards, especially the California hexavalent chromium limits

- ◆ Continued progress toward meeting TDS and hardness goals established for drinking water in the SBUA
- ◆ Continue compliance with waste discharge requirements for local wastewater treatment plants
- ◆ Production of Title 22 recycled water from the City's WRF for reuse by SBCWD for agricultural irrigation

To achieve these benefits, the 2013 System Operations Technical Memorandum should be updated to ensure efficient operation of new facilities and to incorporate facilities developed since 2013. Specifically, some of the issues to be addressed in the update should include the following:

1. Production scheduling for the Lessalt and West Hills WTPs for seasonal and daily flow variations.
2. Scheduling of well operations to complement treated surface water deliveries and provide comparable average run times for all wells.
3. Production scheduling for the new ASR WTP for various year types and seasonal variations. For example, it is expected that, during wet years, the ASR WTP would treat excess CVP for injection; during normal years, the ASR WTP would treat CVP water for distribution, in balance with the West Hills WTP; and during dry years, the ASR WTP would treat recovered groundwater for distribution.

6.4 Engineering

The technical work completed for this Master Plan Update provides a framework for water supply and treatment facilities required through 2045. The recommended facilities are described in Section 5, and those near-term facilities recommended for implementation through 2031 are summarized in Figure 6-1. The locations of facilities presented throughout this Master Plan Update are conceptual, and final locations will be determined during facilities planning and preliminary design work.

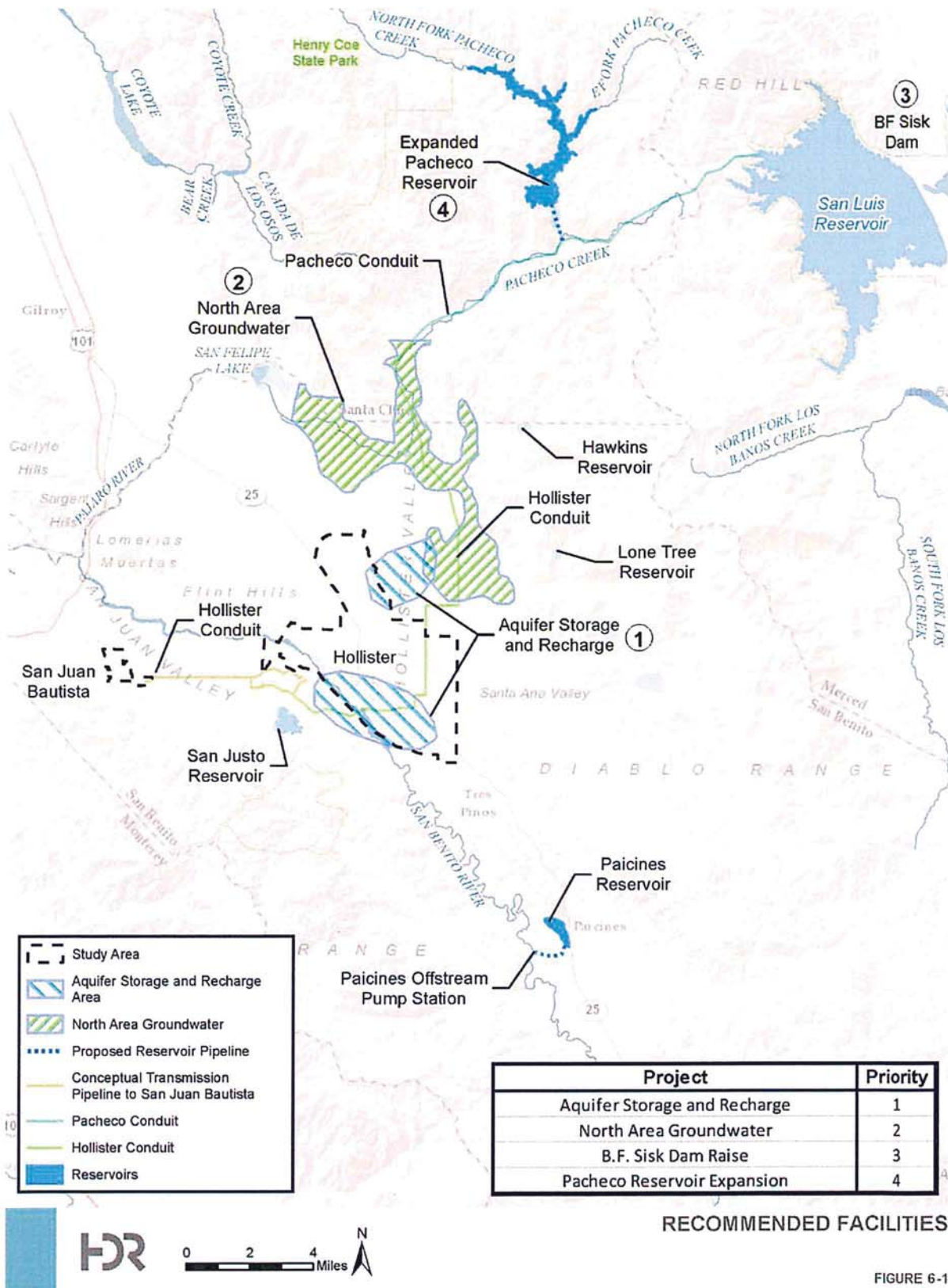


Figure 6-1. Recommended Facilities

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The next step in implementation will be to conduct engineering and related technical investigations for the recommended facilities. Engineering work would include facilities planning, preliminary design, design, construction management, and startup. The preliminary design of the San Juan Bautista Pipeline project has been completed, and an initial feasibility study for the ASR project was completed as part of the Groundwater Sustainability Plan, which was submitted to the State in early 2022. An initial phase of the ASR project, referred to as ADRoP, is anticipated to rely on the expansion of the West Hills WTP for treatment of imported surface water prior to injection at an ASR wellfield. The location of the wellfield is conceptual. Actual well locations will need to be evaluated based on hydrogeological studies, infrastructure costs to convey water to the wellfield, available land, and environmental impacts, among others factors. Additional information about ADRoP is included in Appendix C.

Many of the improvements proposed in this Master Plan Update will be phased, and the engineering work would be scheduled accordingly. Construction contract packaging should also be evaluated to provide the greatest opportunities for competitive bidding by contractors.

6.5 Environmental Compliance

The recommended facilities will require environmental compliance with the California Environmental Quality Act (CEQA) to evaluate the environmental impacts of the projects. Project-specific compliance would be determined on a case-by-case basis for individual projects. For large, complex projects, such as the North Area Groundwater Project or the ASR project, a complete EIR will be required.

The region is known to be home to several federally listed species, including the California tiger salamander, California red-legged frog, and San Joaquin kit fox. As projects are developed, consideration should be given regarding how to minimize impacts to their habitat.

If federal grants or loans are used to pay for specific facilities, additional environmental review might be required to comply with the National Environmental Policy Act (NEPA). In addition, if federal facilities, such as the Hollister Conduit, are impacted, NEPA compliance might also be triggered.

6.6 Permitting

Numerous federal, state, and local permits will also be required for implementation. The required permits will be identified during the preparation of the engineering predesign studies and environmental compliance documents. A permitting strategy should be developed to minimize project delays and potential mitigation costs.

6.7 Institutional Agreements

Institutional agreements between and among agencies will be required to implement projects that provide joint benefits. Multiple institutional agreements are anticipated to be required in order to implement the recommended projects. The following agreements might be required:

- ◆ Update to the Water Supply and Treatment Agreement to add SJB and incorporate the new suite of projects.
- ◆ Update to operating agreements for the treatment plants to reflect a new cost allocation to include SJB.
- ◆ Agreement between SBCWD and SJB to construct and operate the San Juan Bautista Pipeline.
- ◆ Agreement between USBR and SBCWD to use the Hollister Conduit to receive concentrate from the ASR WTP, which would be blended with CVP water in the conduit to minimize overall water losses.
- ◆ Agreement with USBR and partner agencies to document storage volume and cost share in the B.F. Sisk Dam Raise.
- ◆ Update to the MOU between SBCWD and Valley Water for the PREP to record SBCWD's status of participation going forward.

Agreement between USBR and SBCWD to use the Hollister Conduit to transmit North Area groundwater (Warren Act).

6.8 Financing

Recommended projects might be financed local funding and/or state and federal grants and loans. Past projects, such as the Hollister Urban Area Water Project, have been implemented through a combination of local financing and state grants. Opportunities for outside financing (grants or loans) should be fully explored from state water programs and federal infrastructure funding.

For local financing, the agencies will need to update their financial plans and rate studies. Rate study updates should include a review of both rates and connection fees. For the recommended new water facilities, benefits and costs should be allocated to water quality improvements and growth. Staff from each water agency should meet periodically to discuss strategies to accommodate these new facilities and the status of their individual financing plans.

It is recommended that the projected water demands, facilities timing, and financing plan be reviewed by 2027. This interim milestone would give the agencies the opportunity to verify actual trends in water demand growth and adjust the schedules for implementing and financing facilities as appropriate.

SBCWD has initiated efforts to pursue over \$30 million in grant funding from federal and state programs for an accelerated ASR project, ADRoP, including:

- ◆ Small Storage Grant Program by United States Bureau of Reclamation (USBR)
- ◆ Round 2 Integrated Regional Water Management (IRWM) Implementation Grant Program by California Department of Water Resources (DWR)
- ◆ Round 2 Sustainable Groundwater Management (SGM) Grant Program by DWR

If funds are awarded, the funding programs impose certain limits on the performance completion date which is when the funded project needs to be completed. With the performance due dates set as early as December 2026 and as late as March 2027, the original scope of the first phases of the ASR project was updated to facilitate the pursuit of grant funding. The updated ASR project, ADRoP, is described in further detail in Appendix C.

6.9 Stakeholder Outreach

Stakeholder outreach has been an integral part of implementing past master plans. Continued successful implementation of the recommendations of this Master Plan Update will require a proactive approach to the various interest groups and stakeholders in the SBUA, including:

- ◆ General public,
- ◆ Local interest groups (business, environmental, and others),
- ◆ Regulatory agencies,
- ◆ City, County, SBCWD, SJB, and SSCWD elected officials and staff, and
- ◆ Regional interests outside San Benito County.

A first step in developing a responsive stakeholder outreach program would be to revisit the communications strategy that was previously implemented to support the upgrade of the Lessalt WTP and new West Hills WTP.

6.10 Recommended Implementation Schedule and Next Steps

Implementing this Master Plan Update will require overall program and individual facilities activities. Some of the recommended projects are already in design or have advanced through the feasibility phase.

The next major infrastructure improvements would be completed through 2031. Table 6-3 summarizes the recommended projects and programs along with a timeline and responsibilities for implementation. It is also recommended that this Master Plan Update be updated no later than 2027. An update in this timeframe is necessary to adjust the recommendations for facilities beyond 2027 based on actual growth rates, progress made in program implementation, new regulations, and potential new issues and opportunities.



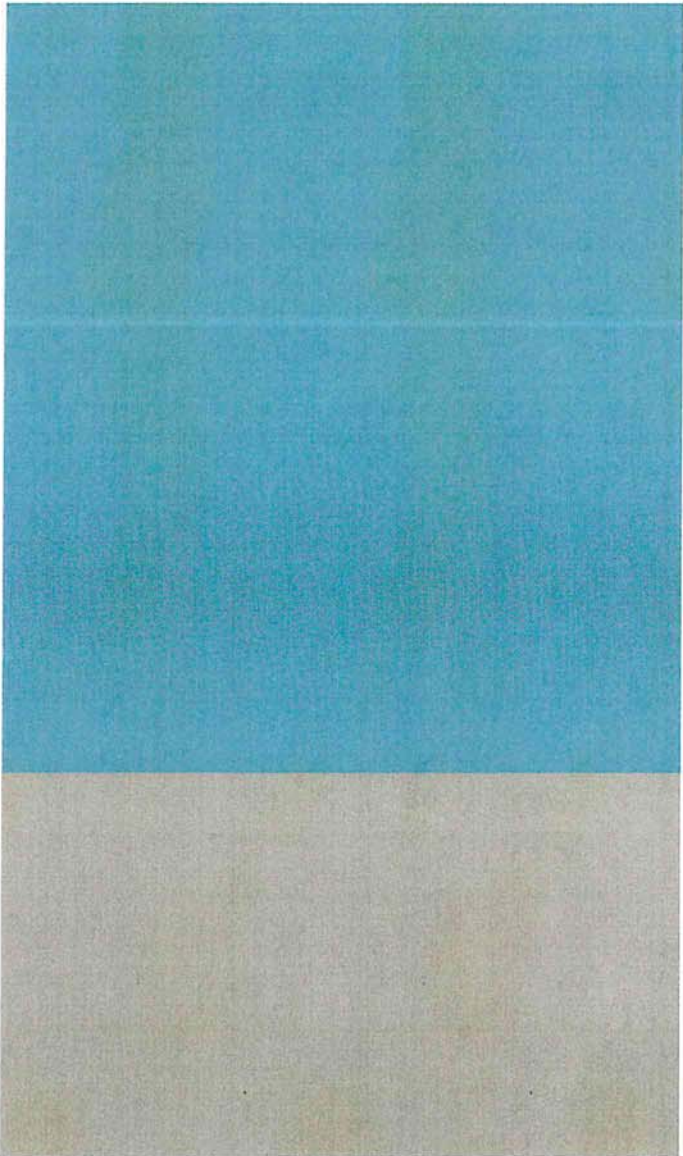
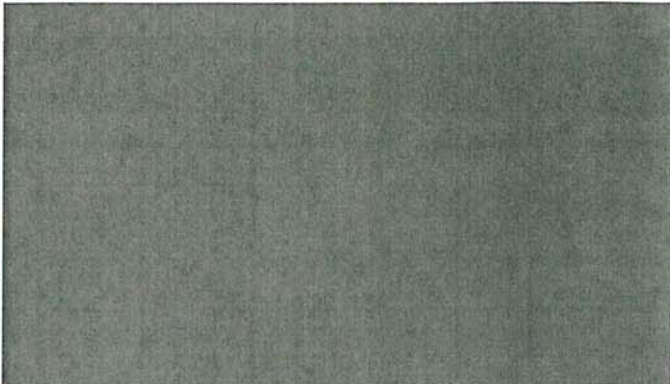
Table 6-3. Summary of Timing and Responsibility for Recommended Improvements

Description	Date	Responsible Agency
Water Supply		
Continue and/or Expand Existing Programs		
Continue Importing Surface Water	Ongoing	SBCWD
Renew Semitropic Water Agreement	Ongoing	SBCWD
Continue Water Conservation Program	Ongoing	WRA
New Programs		
Complete ASR Phase 1 Project	2022–2024	SBCWD
Secure 5,000 AF of Storage in the B.F. Sisk Dam Raise Project	2022	SBCWD
Determine Appropriate Level of Continued Engagement in PREP	2022	SBCWD
Further Investigate Local Surface Water Supplies and Storage	2024+	SBCWD
Complete Feasibility and Environmental Studies for North Area Groundwater Supply	2024+	SBCWD
Water Treatment		
Confirm Treatment Requirements for the ASR Project	2022–2024	SBCWD
Expand West Hills WTP to 9 mgd	Future	SBCWD
Water Distribution		
Construct the San Juan Bautista Transmission Pipeline	2022–2024	SJB, SBCWD
Complete Additional Operations Studies and Modeling to Provide Uniform Distribution of High-quality Water	Ongoing	City, SJB, SSCWD
Implement CIPs for Water Distribution System Improvements	Ongoing	City, SJB, SSCWD
Updates to Planning Documents		
Update Water System Operations TM	2022	All Agencies
Complete Master Plan Update	By 2027	All Agencies

AF – acre-feet, ASR – aquifer storage and recovery, CIP – capital improvement program, City – City of Hollister, CVP – Central Valley Project, mgd – million gallons per day, PREP – Pacheco Reservoir Expansion Project, SBCWD – San Benito County Water District, SJB – City of San Juan Bautista, TM – Technical Memorandum, USBR – U.S. Bureau of Reclamation, WRA – Water Resources Association of San Benito County, WTP – water treatment plant

Notes:

Refer to Table 6-2 for estimated costs.



Appendices



Appendix A
Water Demand Projections
Technical Memorandum



Water Demand Projections Technical Memorandum Master Plan Update

*City of Hollister, City of San Juan
Bautista, San Benito County, San
Benito County Water District, and
Sunnyslope County Water District*

June 2022

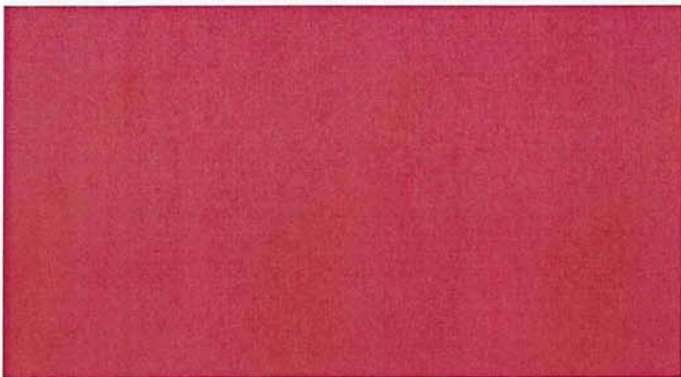


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Summary

Demand projections are required for the San Benito Urban Area (SBUA) Water Master Plan Update to identify future urban water supply needs for the planning horizon of 2045. The demand projections presented in this technical memorandum follows the framework set by previous studies with updated population growth within the service area, unit demands, new additions to the service area, and other factors such as economic and social conditions.

The average annual water demands for the SBUA are approximately 5,559 acre-feet per year (AFY) based on the production data from 2018 to 2019, excluding 2020 due to the singularity of the pandemic. The annual water demand is projected to increase to approximately 9,192 AFY by 2035 and to approximately 12,496 AFY by 2045, as summarized in Figure 1. By comparison, the previous master plan update, completed in 2017, projected the annual water demand would be 10,170 AFY by 2035. The decrease in projected future demands is attributed to changes in consumer behavior due to past droughts, conservation, and moderated population growth rates. The significant difference between the average 2018 through 2020 demand and the estimated 2021 demand is largely due to the inclusion of City of San Juan Bautista.

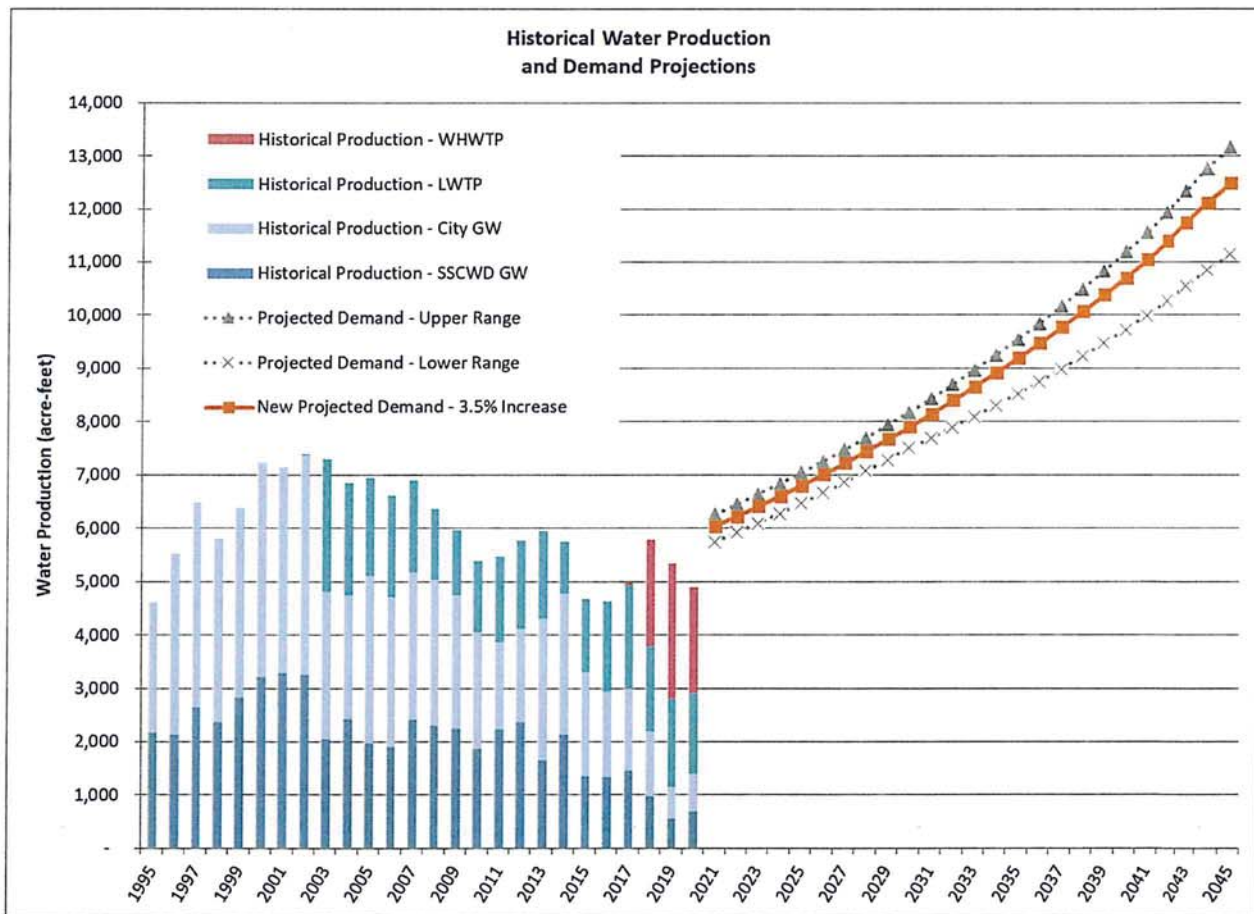


Figure 1. Existing and Projected Water Demands

1.0 Previous Projections

Demand projections are required for the San Benito Urban Area Water Master Plan Update to identify future urban water supply needs for the planning horizon of 2045. The following subsections present a summary of past projections that have been prepared for the 2008 Master Plan, the 2010 Urban Water Management Plan, and the 2017 Master Plan Update.

1.1. 2008 Master Plan

The 2008 Hollister Urban Area Water and Wastewater Master Plan (2008 Master Plan) included a detailed analysis of historical water use and future water projections. The analysis incorporated land use planning data from the adopted General Plans for the City of Hollister (City) and San Benito County (County), respectively, evaluation of unit demands, system losses, and water conservation projections.

At the time of the 2008 Master Plan, the average annual water demand was estimated to be approximately 7,965 AFY and was projected to increase to 11,840 AFY 2023 and to 20,150 AFY by buildout of the Hollister Urban Area (HUA).

The growth in demands presented in the 2008 Master Plan is presented in Figure 2.

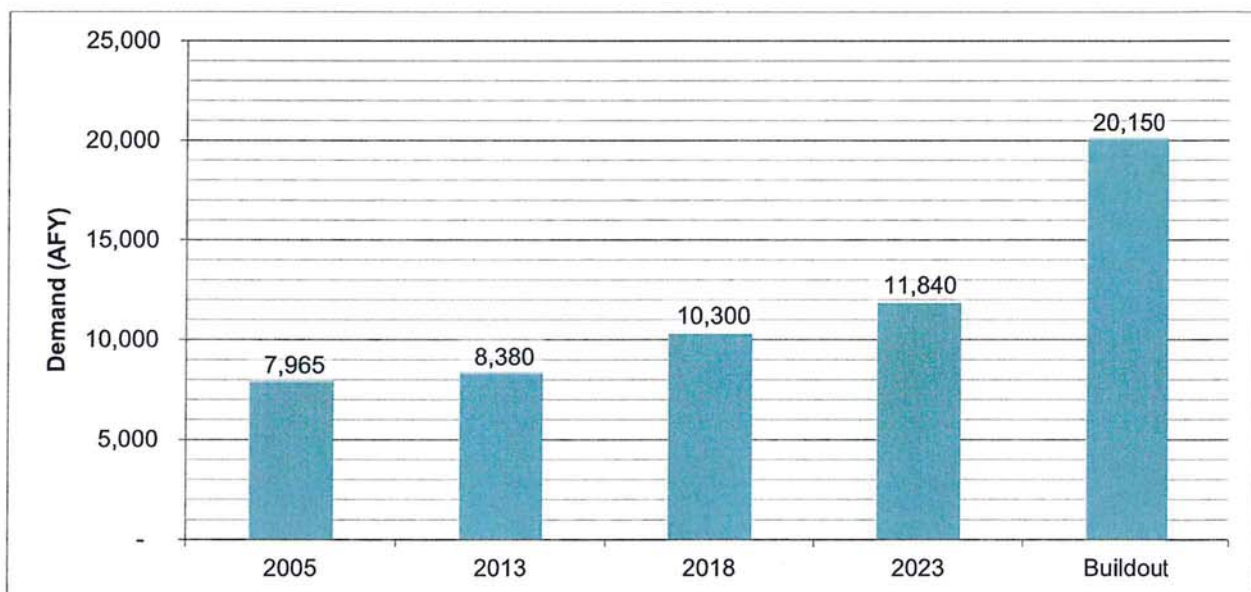


Figure 2. 2008 Master Plan Water Demand Projection

1.2. 2010 UWMP

The 2010 Urban Water Management Plan (UWMP) included an analysis of past and projected water demands, as required by the State and prescribed in the 2010 UWMP Guidebook. As presented in the 2010 UWMP, the total water use from 2005 to 2010 decreased from approximately 6,791 AFY to 5,856 AFY, despite a relatively consistent population in the HUA. The factors believed to contribute to this decrease are described in the following section.

Water demand was projected to increase to 8,624 AFY in 2020 and to 11,583 by 2030, which included estimated system losses at approximately 7 percent of demand.

1.3. 2017 Master Plan Update

The 2017 Hollister Urban Area Water and Wastewater Master Plan Update (2017 Update) updated water demand projections based on plans and schedules for future developments provided by the City and the Sunnyslope County Water District (SSCWD), the updated unit demands, system losses, and water conservation projections.

The average annual water demand of the HUA at 2017 was estimated to be approximately 5,830 AFY and was projected to increase 10,170 by 2035.

The demand projections from the 2017 Update for the City and SSCWD through 2035 are presented in Table 1.

Table 1. 2017 Master Plan Update Demand Projections

	Existing	2020	2025	2030	2035
City	3,150	3,580	3,980	4,460	5,040
SSCWD	2,680	3,240	3,760	4,380	5,130
Total	5,830	6,820	7,740	8,840	10,170

2.0 Changed Conditions Since Prior Projections

Since the Master Plan Update in 2017, several key conditions changed. The changed conditions include factors which would increase demands and factors which would tend to decrease demands.

2.1. Economic Development

With the recovery of the economy since the “Great Recession”, and the boom of the technology industry at Silicon Valley, San Benito County has become the fastest growing county in the Association of Monterey Bay Area Governments (AMBAG) region. According to the 2020 U.S. Census, San Benito County was the third fastest growing county in California since 2010. San Benito County is anticipated to continue to grow significantly in long term in both housing and employment (AMBAG, 2020).

2.2. New Additions to the HUA

San Juan Bautista is a city within the County approximately 7.5 miles east to the City of Hollister. Like other cities in the County, San Juan Bautista is expecting to grow in population due to economic recovery and expansion. In a recent MOU with the San Benito County Water District (District), San Juan Bautista will finance the infrastructure required to convey treated surface water from the West Hills Water Treatment Plan (WHWTP) to meet its future demand as well as to improve distribution water quality.

2.3. County Master Plan Update

The San Benito County 2035 General Plan, adopted on July 21, 2015, provides land use designations within the county, as well as within the HUA area (outside the City's sphere of influence). Urbanization/densification of agricultural, low density and/or vacant parcels will result in an increase in the potable water demand.

2.4. Drought

San Benito County, like all of California, has experienced severe drought conditions. Since 2008, two state-declared drought emergencies have occurred, one in 2007 to 2009 and the other in 2012 to 2016. During the 2012 to 2016 drought emergency, a mandatory 25 percent reduction was enforced throughout the state. Future severe droughts might see similar mandatory measures. In addition, other conservation laws focusing on water suppliers' water efficiency and water budgets have passed in recent years, such as the Senate Bill 606 and Assembly Bill 1668 passed in 2018. Drought conditions and conservation measures will continue to have significant impacts on water demands.

2.5. Conservation

The Water Conservation Bill of 2009, Senate Bill x7-7, required a 20 percent reduction in per-capita urban consumption by 2020 (often referred to as 20 by 2020). SBx7-7 requires that urban water purveyors are not eligible for state water grants or loans unless they comply with their water conservation requirements. In addition, Senate Bill 606 and Assembly Bill 1668 requires water suppliers to annually calculate water efficiency standard based beginning in November 2023.

The effect of water conservation laws has been a heightened awareness and implementation of conservation measures in the HUA. The Water Resource Association of San Benito County (WRA) is responsible for managing the conservation efforts, including providing incentives for new plumbing fixtures (e.g., low flush toilets, etc.), and providing information and education on conservation measures for the public. As described later in this memorandum, the WRA has been very successful in its efforts to upgrade plumbing fixtures.

3.0 Methodology

The 2008 Master Plan was based on planned future land uses and the application of water use factors to those respective lands. The land use designations and densities were identified in the City and County General Plans for vacant lands within the Study Area. The future demands were then added to the existing demand to determine a total forecasted demand for 2023 and beyond.

The 2017 Update partially relied on earlier projections to understand the total potential demand, but used population growth, revised water use factors, and other use trends provided by the City's Planning Department and SSCWD to complete the demand projections.

The 2022 Update continues the approach set in 2017 to project future demands, by updating population growth, development plans, and water use factors based on the City and SSCWD's input.

4.0 Analysis of Recent Historical Data

The following subsections present an analysis of recent water consumption, unit factors, conservation, and unaccounted for water.

4.1. Water Consumption

Historical water consumption data in the past five years are presented in Table 2 by summarizing water production data by source. The water supply sources are local groundwater from wells and imported CVP surface water, treated at the two water treatment plants. Over the past five years, after a slight decline in 2016, water consumption increased until peaking in 2018. Consumption started to decrease in 2019 and continued decreasing in 2020. However, 2020 data is excluded from the demand projection due to the singularity of the pandemic.

Table 2. Historical Water Production (AFY)

	2015	2016	2017	2018	2019	2020
SSCWD GW	1,348	1,331	1,449	978	565	694
COH GW	1,960	1,615	1,543	1,217	588	707
Lessalt WTP	1,364	1,682	1,940	1,596	1,660	1,503
West Hills WTP	-	-	51	1,990	2,524	1,990
Total	4,672	4,628	4,983	5,781	5,337	4,894
Annual Increase		(44)	355	798	(444)	(443)

4.2. Unit Factors

Since the majority of developments in the HUA between 2017 and 2021 have been Single Family Residential (SFR) projects, this 2022 Update evaluated the latest unit factor for SFRs and assumed that the unit factors of other customer types remains the same. The SFR unit factor is based on data provided by SSCWD based on meter data of "new" residential construction since 2018. The City's unit factors for new connections are assumed to be the same as those of the SSCWD. The new unit factor, 0.25 AFY/connection, is approximately 76% of the 2017 estimate of 0.33 AFY/connection. Although this recent data suggests that water consumption for new SFR customers has decreased, to account for variability in lot size, unforeseen growth or other plans, as well as the lifestyle changes introduced by the pandemic, this 2022 Update continues to use a unit factor of 0.33 AFY/connection for a conservative baseline projection.

4.3. Conservation

The Water Resource Association of San Benito County (WRA) began tracking water conservation activities in 2003. Between 2003 and 2013, total water savings generated from

fixture replacements are approximately 2,623 AFY. In addition to the indoor plumbing retrofits, approximately 74,500 square feet of turf has been removed and/or replaced with drought tolerant landscaping since early 2014, which has helped reducing water loss due to evaporation. The 2017 Update pointed out that many of the quantifiable indoor conservation retrofits are reaching saturation in the existing system, and turf removal due to drought and mandatory rationing is not expected to continue.

4.4. Unaccounted for Water

The 2017 Master Plan Update compared the total water production, including the water produced at the City's wells, SSCWD's wells, and the Lessalt Water Treatment Plant (LWTP), to the total metered water in the combined system. It was estimated that the average of unaccounted for water is approximately 7% of annual consumption. The 2022 Update continues to use the 7% ratio.

5.0 Population Projections

As previously described, residential growth was used as the basis to update the water demand projections. Like the 2017 Update, the distribution between yearly new SRFs and MRFs is approximately five to one, and the annual incremental commercial, industrial and institutional use is kept at 12.5 AFY.

A summary of population projections from various sources are listed in Table 3. Compared to the 4% rate of increase used in the 2017 Update, population growth is likely to decrease in the future. The County's existing population and future growth are concentrated in the urban areas; therefore, the increase in water demands should at a minimum match the growth within and around these urban areas.

Table 3. Review of Population Growth Rates

Source	Planning Period	Planning Area	Average Annual Growth Rate
AMBAG	2005 - 2045	AMBAG Region	0.5%
2020 San Benito County Water District UWMP	2000 - 2020	San Benito County	2.5%
2022 Final AMBAG Regional Growth Forecast	2010 - 2045	San Benito County	1.2%
2035 County General Plan EIR Update	2010 - 2035	San Benito County	2.6%
2005 City General Plan	2000 - 2023	City of Hollister	2.0%
SSCWD Development Plans	2021 - 2040	SSCWD	3.5%
2020 HUA UWMP	2020 - 2040	City and SSCWD	3.6%
2020 San Juan Bautista Water Master Plan	2020 - 2045	San Juan Bautista	1.9%

Considering the population growth will be disproportional in different areas, population projections for the AMBAG regional area and the County are less reflective than those of the urban locations. Additionally, recent historical records are also analyzed to verify this assumption. Table 4 summarizes the average annual growth in actual demand and water

accounts from 2015 to 2019. This period saw significant changes in production quantity, but the average trend is a net water demand increase, at a rate slightly below the 4% population increase used in the 2017 Update.

Table 4. 2015 - 2020 Production Data and Account Data

	Production (AFY)	Annual Increase Rate	Avg Annual Increase in Rate of Water Production ¹
2015	4,672	--	3.8%
2016	4,628	(0.9%)	
2017	4,983	7.7%	
2018	5,781	16%	
2019	5,337	(7.7%)	

Notes:

1. Average annual production increase rate is calculated as the average of increase rate of each year.

Based on the information presented in Tables 3 and 4, and discussions with the District and its partner agencies, a population growth rate of 3.5% is selected as the basis for the demand projections. Table 6 presents the population growth, by year, for the planning horizon.

Table 5. Projected Population Growth, at 3.5% per Year

Year	New Population ¹	New Units ²	Year	New Population ¹	New Units ²
2021	1,553	470	2034	2,428	736
2022	1,607	487	2035	2,513	762
2023	1,663	504	2036	2,601	788
2024	1,721	522	2037	2,692	816
2025	1,782	540	2038	2,786	844
2026	1,844	559	2039	2,884	874
2027	1,908	578	2040	2,985	904
2028	1,975	599	2041	3,089	936
2029	2,044	619	2042	3,197	969
2030	2,116	641	2043	3,309	1,003
2031	2,190	664	2044	3,425	1,038
2032	2,267	687	2045	3,545	1,074
2033	2,346	711			

1. Population growth is projected based on 3.5% growth per year.
2. New units are based on 3.3 people per household, consistent with the 2017 Update.

6.0 Water Demands

In discussions with the District and the partner agencies, there are no significant changes to the distribution between single family residential (SFR) and multifamily residential (MFR). Therefore, the ratio of 5:1 (SFR:MFR) used in the 2017 Update is kept the same in this update. Based on the unit demands presented in Section 4, the projected water demands in the conventional HUA, excluding SJB, are summarized in Table 6. The conventional HUA refers to the previously defined service area in the 2017 Update. SJB demands are added separately.

Table 6. New Water Demand by Customer Class (AFY) in the conventional HUA

	2021 - 2025	2026 - 2030	2031 - 2035	2036 - 2040	2041 - 2045	Total
SFR ^(a)	699	831	986	1,172	1,391	5,079
MFR ^(b)	89	106	126	149	177	647
Commercial/Industrial ^(c)	63	63	63	63	63	313
Losses ^(d)	55	66	78	92	110	401
Total	906	1,064	1,253	1,476	1,741	6,440

1. SFR demand is based on a unit demand of 0.33 AFY.
2. MFR demand is based on a unit demand of 0.21 AFY.
3. Commercial / Industrial demands were estimated based on 12.5 AFY of new demand per year.
4. Losses were estimated at 7 percent of residential demand.

Table 7 summarizes the total estimated Average Day Demand (ADD), Maximum Month Demand (MMD) and Maximum Day Demand (MDD) for the combined systems as well as for individual entities. As shown, the total system demand is expected to increase from approximately 5,560 AFY in recent years to 12,500 AFY in 2045.

Table 7. Projected Water Demand (AFY) for Major Entities and the Combined System

	Existing (Avg of 2018 and 2019)	2025	2030	2035	2040	2045
City	2,417	2,813	3,274	3,817	4,461	5,217
SSCWD	3,142	3,657	4,256	4,963	5,799	6,783
San Juan Bautista ¹	-	340.2	372.4	410.0	451.3	496.9
Total Annual	5,559	6,810	7,902	9,190	10,711	12,497
Total ADD (mgd)		6.1	7.1	8.2	9.6	11.2
Total MMD (mgd)²		9.1	10.6	12.3	14.3	16.7
Total MDD (mgd)³		12.2	14.1	16.4	19.1	22.3

Notes:

1. SJB demands are based on most recent SJB Water Master Plan.
2. MMD is estimated at 1.5 times ADD, same as the 2017 Update, based on historical consumption data.
3. MDD is estimated at 2.0 times ADD, same as the 2017 Update, based on historical consumption data.

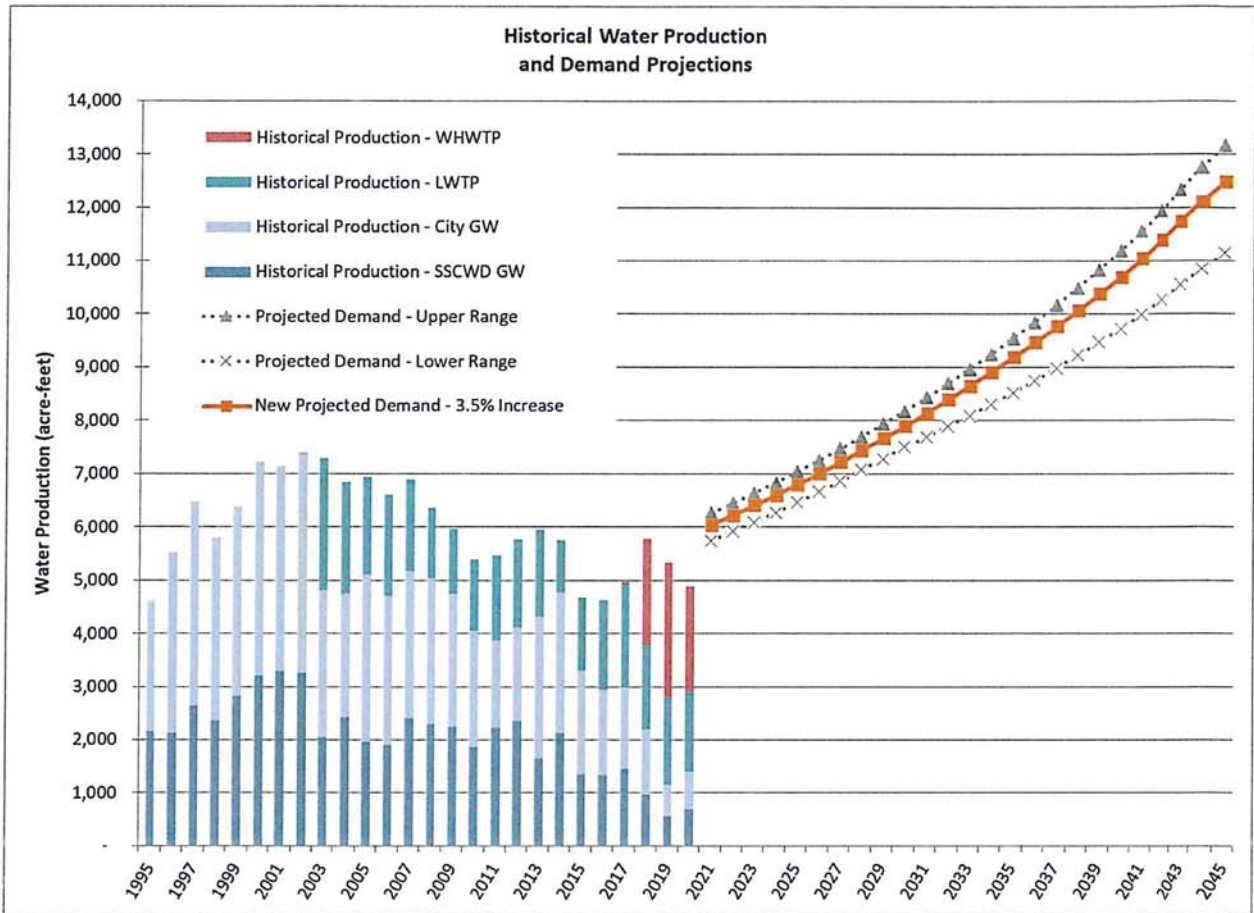
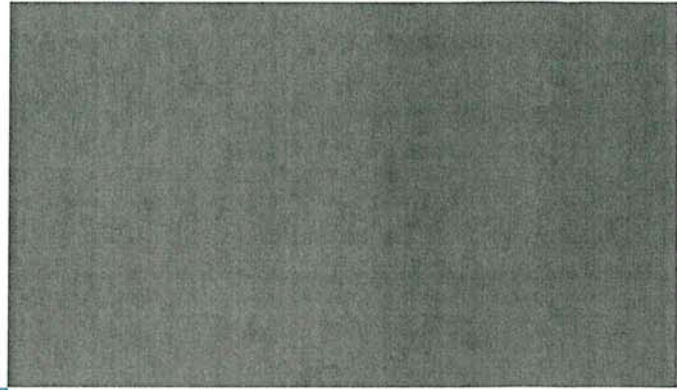
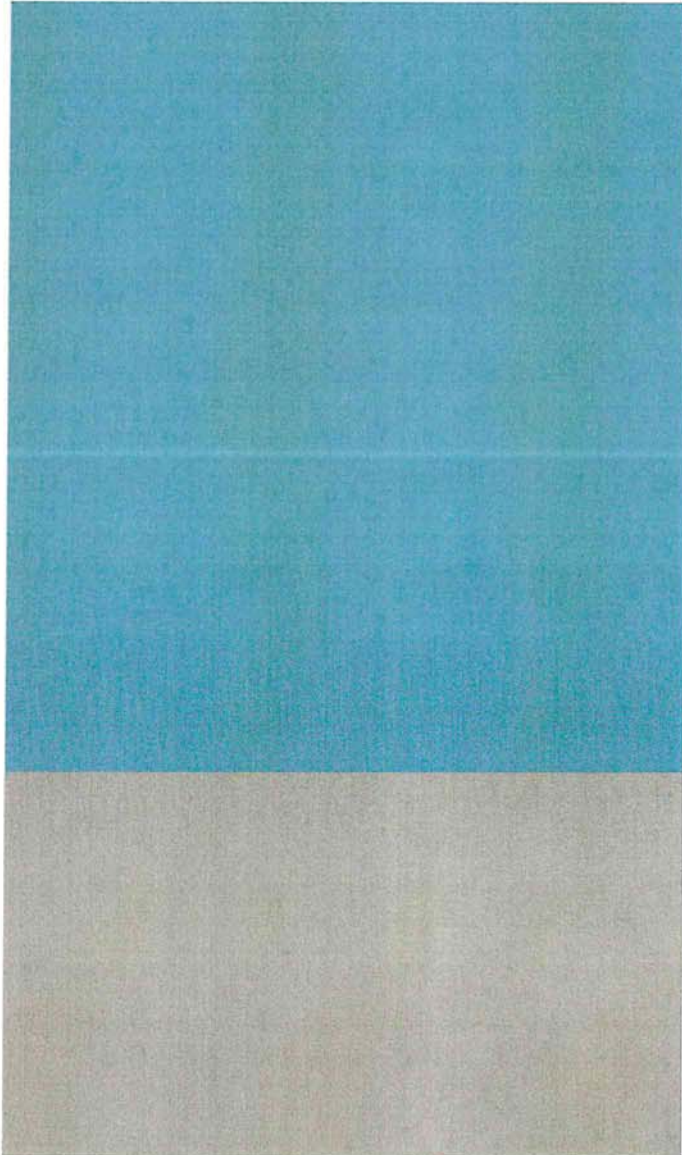


Figure 3. Projected Water Demand

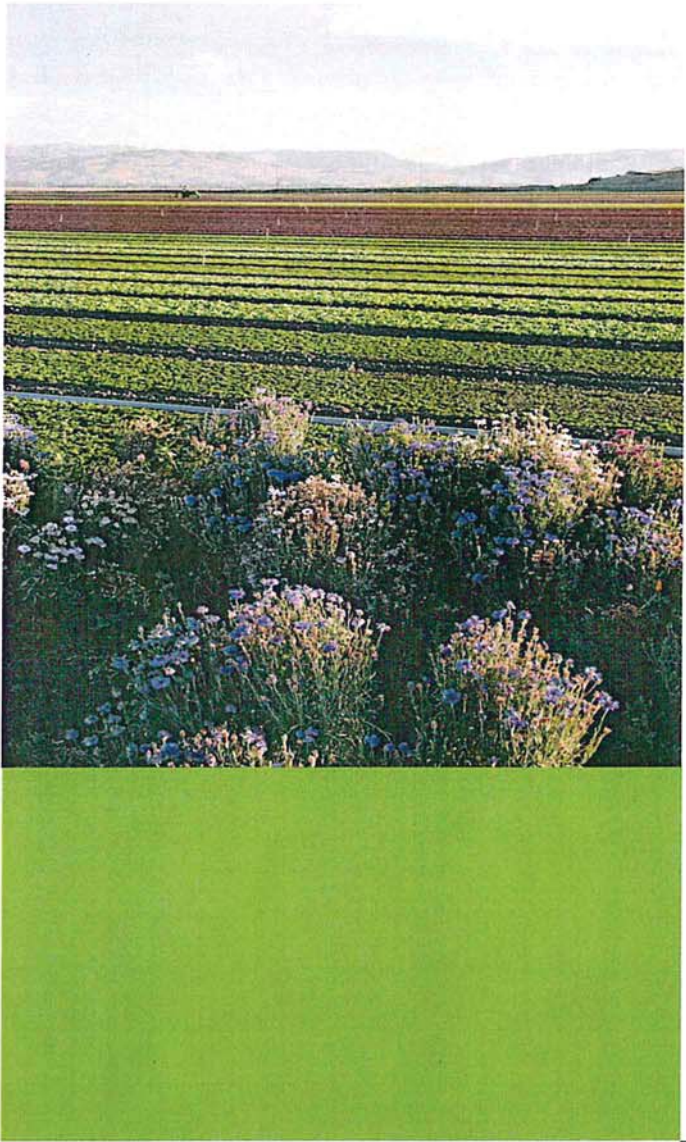
Due to the inherent uncertainty in projecting future conditions, a range is presented in Figure 3. The difference from 2018 and 2019 compared to the estimated 2021 demand is largely due to the inclusion of the demands of the City of San Juan Bautista. The upper band of the range uses the peak 2018 consumption data as the existing condition and a 4% population increase rate. The lower band uses the average of 2018 and 2019 consumption data as the existing condition and adopts the smaller 0.25 AFY/connection SFR unit factor as described in Section 4. Due to the inherent uncertainty in forecasting future conditions, it will be important to identify triggers such that the implementation of new water supply infrastructure needed to serve the future demand is complete in a timely manner. Further, the demand forecast should be updated within five years.



B

Appendix B Climate Change Strategic Plan





Climate Change Strategic Plan

San Benito County Water District

December 13, 2022



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1.0 Introduction

1.1. Background

The San Benito County Water District (District) is located in San Benito County that has long dry seasons that characterizes the Mediterranean climate. The District has a contract with the United States Bureau of Reclamation (USBR) to import surface water for agricultural (Ag) and municipal/industrial (M&I) uses to its service area via the Central Valley Project (CVP), a system of reservoirs, canals and pumping stations. The District's contract with USBR is for a total supply of 43,800 acre-feet per year (AFY), of which 35,550 AFY is for Ag use and 8,250 AFY is for M&I use. The USBR establishes allocations on an annual basis depending on hydrologic conditions in the state. Once imported, the M&I supply is treated at local surface water treatment plants and delivered to the City of Hollister (Hollister) and Sunnyslope County Water District (Sunnyslope), where the water is blended with groundwater from municipal wells to improve water quality in the municipal drinking water system. The District will also begin delivering treated surface water to the City of San Juan Bautista (San Juan Bautista) in 2025.

The overall San Benito Urban Area (SBUA) foresees an increase in population and commercial development. The 2022 Water Supply and Treatment Plan Update (2022 Plan) evaluated the reliability of the existing CVP supply and concluded that although the supply is sufficient to meet M&I demands in wet and normal years, during dry years, there is a supply deficit for existing users. In addition, when reduced imported supply quantity during dry years, when the CVP allocations are curtailed, municipal groundwater pumping increases which can result in overdraft conditions in the groundwater basin. The impacts of climate change will negatively impact the availability and reliability of future CVP water deliveries, resulting in more frequent years with reduced allocations. These impacts will not only affect the District's supply for future growth, but also limits its ability to maintain water quality for existing customers in dry years.

1.2. Purpose

The purpose of this Climate Change Plan (Plan) is to review and summarize the analysis performed to date assessing the anticipated impacts of climate change on the District's water supply. In addition, this Plan also documents the District's efforts in identifying system vulnerabilities and risk mitigation strategies. This Plan will be appended to the 2022 Water Supply and Treatment Plan Update.

This Plan reviews and references the following reports and documents, in addition to information provided by District staff, to bring related information into one common location:

- ◆ 2015 Hollister Urban Area Urban Water Management Plan (2015 UWMP)
- ◆ 2017 Hollister Urban Area Water and Wastewater Master Plan Update (2017 Plan Update)
- ◆ 2020 Hollister Urban Area Urban Water Management Plan (2020 UWMP)
- ◆ 2021 North San Benito Groundwater Sustainability Plan (2021 GSP)
- ◆ 2022 Water Supply and Treatment Plan Update (2022 Plan Update)

2.0 Climate Science and Assessment

Climate change science and its hydrological impacts to the District's local water supply were investigated and modeled as part of the 2021 GSP. Aside from reviewing both surface and groundwater water balances from 1975 to 2017, the 2021 GSP presented additional numerical modeling forecasting scenarios. The forecasting considers conditions expected to occur over the next 50 years using a baseline scenario assuming a continuation of existing land use, urban water demand, water, and wastewater treatment and CVP availability. Climate, stream flow, and imports are adjusted to model for climate change impacts, these adjustments referenced projections by the California Department of Water Resources (DWR). The general result is that the climate in 2070 will be warmer and wetter in the District's service area, and while CVP imports are expected to be reduced, they are still needed to maintain the basin in balance over longer durations.

2.1. Projection of Future Climate Change

The model prepared for the 2021 GSP included a future baseline scenario, without adjustments climate change as well as a scenario with adjustments for climate change. The results are taken relative to each other to assess the impacts that climate change would have relative to baseline conditions. The following sections describe this further.

2.1.1 Model Setup of Future Condition Simulation

In the 2021 GSP, the climate change scenario assumed land use and water use patterns were the same as in the future baseline scenario. Adjustments to the rainfall and reference evapotranspiration (ET_o) time series for the rainfall-runoff-recharge model were made using data sets provided by the DWR. DWR produced multipliers representing climatic conditions for 2030 and 2070. The 2070 data set was selected to fully reveal anticipated climate-change effects.

DWR also produced monthly stream flow multipliers at a basin scale, with a single time series of values for the entire watershed area tributary to the model. Those multipliers were applied only to the Pacheco Creek and San Benito River inflows because the simulated inflows for other streams entering the basin already reflected climate change effects through the precipitation and ET_o adjustments in the rainfall-runoff-recharge model.

CVP supplies under the 2070 climate conditions are expected to be consistently less than under future baseline conditions due to a loss of snowpack in the CVP source areas. The CVP projections were based on Cal Sim II simulations that reflected the most up to date CVP operational forecast given climate change. The future modeling, on which the sustainable yield was based, represented a continuation of existing land and water use patterns, but with anticipated effects of future climate change on local hydrology (rainfall recharge and stream percolation) and on the availability of imported water supplies.

2.1.2 Results of Future Condition Simulations

The general result of the climate change analysis indicated by the precipitation and ET_o multipliers is that the climate in the District's service area, in 2070, will be warmer and wetter

than the current climate. Precipitation and rainfall recharge are expected to increase in winter, and crop water demand — and hence groundwater pumping for irrigation — are expected to increase in summer.

In all management areas, rainfall recharge was considerably higher in wet years under climate change, but about the same as under historical conditions in dry and normal years. In contrast, groundwater pumping was greater in all years. The increase in groundwater pumping was substantially larger in the Hollister and San Juan Management Areas (MA) because CVP imports would be reduced by climate change, which results in even greater reliance on groundwater.

The 2021 GSP calculated the average annual water balances for the 50-year future analysis period for each management area. In addition to the changes in rainfall recharge and groundwater pumping noted above, subsurface bedrock inflow from tributary watersheds was slightly higher in the climate change scenario than the baseline scenario due to increased rainfall recharge combined with negligible pumping in the upper watersheds. In most management areas, percolation from streams increased and groundwater discharge to streams decreased under climate-change conditions. While this may be partly attributed to an increase in surface water inflow, the primary driver is an increase in groundwater pumping for irrigation, which will outpace the increase in surface water inflow. Municipal groundwater pumping was the same under 2070 climatic conditions except in the Hollister MA, where it increased due to climate-related reductions in CVP availability.

The projected shift in local hydrology toward wetter and warmer conditions increased simulated pumping and water-level declines in summer and during most droughts, but increased stream inflow and net percolation generally offset those declines. That notwithstanding, in the most impacted area — the central part of the Hollister MA — simulated water levels remained lower by as much as 20 feet for decades before an exceptionally wet period provided enough recharge to recover back to baseline water levels. The CalSim II projected CVP supplies under the 2070 climate conditions, used in the GSP, were expected to be consistently less than under future baseline conditions due to a loss of snowpack in the CVP source areas (the Sierra Nevada Mountain range). In the simulation, the reduced CVP imports caused further increases in agricultural pumping in the Hollister and San Juan MAs relative to the Southern and Bolsa MAs and accentuated drawdown in summer and during most droughts. Its notable that actual CVP supplies may be more variable than previously simulated, and this variability may further accentuate drawdowns during prolonged droughts.

In summary, the GSP modeling indicated that continued CVP imports (as simulated) will be required to avoid any long-term groundwater-level or changes in storage trends that would otherwise be associated with the climate change scenario. However, recent CVP allocations have been substantially decreased below previous projections, including the long-term projections used in the climate-change scenario.

2.2. Assessment of Impacts

The 2021 GSP concluded that the effects of climate change and future growth would be additive. The combination might be enough to initiate long-term storage declines and will certainly lower the minimum groundwater levels during drought periods. Further, the analysis confirmed that continued deliveries of imported CVP water supplies are necessary to combat the impacts of climate change. Since the actual CVP supplies may be more variable than those that were used in the GSP model simulations, the minimum groundwater levels may be further accentuated in the future without mitigation.

3.0 Vulnerability and Risk Assessment

In recent UWMPs, SBCWD conducted climate change vulnerability assessment, as required and instructed by UWMP guidelines. System vulnerabilities are mostly reflected in growing demand during drought periods, and risks are largely associated with consequences of reduced surface water supply and increased groundwater pumping. These vulnerabilities and risks are further described below.

3.1.1 Drought Vulnerability

The 2020 UWMP reported that recorded droughts had been sufficiently intense and prolonged to temporarily affect groundwater levels in the basin but had not affected the long-term consistency of supply. However, paleoclimatic data indicate that extreme prolonged droughts have occurred in prehistoric California and current climate research indicates that extreme drought may occur more frequently as the climate changes in the future. Furthermore, based on the analysis performed for the 2021 GSP, it is clear that the anticipated local hydrology will trend toward wetter and warmer conditions due to climate change, resulting in increased groundwater pumping and associated declines in the groundwater-level during drought periods. Moreover, in the most impacted area, the central part of the Hollister MA, simulated water levels remained lower by as much as 20 feet for decades before an exceptionally wet period provided enough recharge to recover back to baseline water levels. It is notable that CVP imports are required to keep the basin in balance and prior to the construction of the San Felipe Division of the CVP system, which was completed in 1987 and facilitates CVP imports into the basin, the basin was in a state of overdraft for a prolonged period.

3.1.2 Water Demand Vulnerability

The 2020 UWMP explained that climate change may also increase regional temperatures and cause more variable weather patterns. The minimum daily temperature in California has increased over one degree Fahrenheit and continues to rise. Higher temperatures and the increased duration of high temperature periods could increase water demand by more than 50 percent seasonally. The increase in demand will be through increased agricultural irrigation, landscape irrigation, other residential uses, outdoor residential and commercial irrigation, with particular ramifications for summer months.

3.1.3 Legal Vulnerability

The 2020 UWMP documented that the Hollister groundwater basin has not been adjudicated, so specific groundwater rights have not been quantified. This was largely due to the success of

local groundwater management activities with stakeholder involvement, so that lengthy and costly legal action has not been needed. However, interruption of imported water would induce additional groundwater pumping. Depending on the magnitude and persistence of the interruption, groundwater storage and the reliability of groundwater supply would be reduced, leading to an increased need to legally define water rights among stakeholders.

3.1.4 Supply Reduction Risk

According to the Intergovernmental Panel on Climate Change, global warming could significantly alter California's hydrologic cycles and water supply. The 2020 UWMP described that these impacts could include decreased Sierra snowpack, increased temperatures, more severe droughts, sea level rise, and increased floods. Climate models indicate that precipitation as rainfall is expected to increase as snowfall decreases over the Sierra Nevada and Cascade mountain ranges. By the end of this century, the Sierra snowpack is projected to be 48 to 65 percent less than the historical average. Sierra snowmelt feeds rivers that flow to the Sacramento-San Joaquin River Delta (Delta), the source of the District's imported CVP water. This reduction would directly impact the volume of imported water available for all the District CVP customers, including Hollister and Sunnyslope, and soon to be San Juan Bautista. The Delta is also at risk from the predicted increases in climate variability associated with climate change. More severe flooding and rising sea levels threaten the waterways that serve as a vital link in the CVP system within the Delta. All of these impacts to the Delta or CVP infrastructure could result in a reduction in future CVP allocations for the District.

3.1.5 Groundwater Basin Overdraft Risk

As previously noted, imported CVP supply is required to keep the basin in balance. A reduction in imported CVP supply coupled with increasing demand could lead to substantially increased pumping from groundwater users, resulting in basin overdraft. The Sustainable Groundwater Management Act (SGMA) defines overdraft as involving undesirable impacts including chronic lowering of groundwater levels, reduction of groundwater storage, seawater intrusion, degraded water quality, land subsidence, and surface water depletions with adverse impacts on beneficial uses. Seawater intrusion is an unlikely impact as the District is situated in an inland basin. Deteriorated water quality, a result of groundwater basin overdraft, such as high levels of nitrate, would limit some uses of groundwater to comply with regulations, further impairing reliability of supplies. As with groundwater, the water quality of recycled water may be impaired due to increased use of groundwater, therefore reducing the District's ability to supplement its agricultural water supply with recycled water.

3.1.6 Other Risks

Other factors that can disrupt water supply include heat waves, wildfires, flooding, earthquakes and other climate induced natural disasters. These conditions may impact the supply source, the District's ability to operate its water treatment plants, and damages to water delivery infrastructure.

4.0 Mitigation Options and Strategies

The climate change modeling scenario indicates that the local climate in 2070 will be not only warmer but also wetter than the current climate. The 2021 GSP recommended that given the challenges presented by cumulative effects of growth and climate change, consideration should be given to projects that can increase storage and use of local surface water supplies. The District is addressing potential constraints on water supply through development of a portfolio of supplies, improvement of facilities (e.g., treatment plant expansion and groundwater banking), and through demand management such as the Water Shortage Contingency Plan described in the 2020 UWMP. The 2022 Master Plan Update summarized the success and necessary continuation of regional collaboration.

4.1. Regional Collaboration

There is a long history of regional collaboration in the SBUA to develop water and wastewater projects that serve the urban area, dating back to a Memorandum of Understanding (MOU) between the City of Hollister (City), San Benito County (County), and the District in 2004. The following sections detail the history of regional collaboration efforts.

4.1.1 2004 Memorandum of Understanding

The 2004 MOU was developed among the City, County, and the District and subsequently amended in 2008 to include the Sunnyslope County Water District (SSCWD). The 2004 MOU described the principles, objectives, and assumptions that formed the basis of the original water and wastewater master plan that was prepared 2008, focusing on the following goals:

- Improve municipal, industrial, and recycled water quality.
- Increase the reliability of the water supply.
- Coordinate infrastructure improvements for water and wastewater systems.
- Implement the goals of the Groundwater Management Plan.
- Integrate recommendations of the long-term wastewater management plans prepared by the City and SSCWD.

4.1.2 2009 Coordinated Water Supply and Treatment Plant

In 2009, the Coordinated Water Supply and Treatment Plan (Coordinated Plan) was prepared to refine water supply and treatment recommendations, including the following:

- ◆ Upgrade the existing Lessalt Water Treatment Plant (WTP) to address new water quality regulations.
- ◆ Construction of the new West Hills WTP to expand surface water treatment capacity to make use of imported CVP supplies, thereby improving municipal water quality and reducing the reliance on the local groundwater basin.
- ◆ Firm up the existing imported M&I CVP supply to increase water supply reliability.
- ◆ Further investigate a conjunctive-use project with local surface water supplies and groundwater in the North County area.

4.1.3 2014 Memorandum of Understanding

The 2014 MOU incorporated and updated the principles, objectives, and assumptions from the 2004 MOU, to facilitate and guide the update of the water and wastewater treatment plan to plan for future growth and new regulations. In addition, the following issues were identified for evaluation:

- ◆ Update water demand and wastewater flow projections.
- ◆ Review and evaluate previously identified long-term water supply options.
- ◆ Review drinking water goals for total dissolved solids (TDS) and hardness.
- ◆ Review goals for recycled-water TDS.
- ◆ Evaluate the need, timing, and estimated cost recommended facilities and activities.

The 2014 MOU also reaffirmed the institutional framework and responsibilities of the Governance and Management Committees, which represent each of the participating agencies in the MOU.

4.1.4 2017 Master Plan Update

The 2017 Master Plan Update presented water demand and wastewater flow projections through 2035 considering economic, climate, and water usage changes since the 2008 Master Plan. The 2017 Master Plan Update addressed the issues identified in the 2014 MOU and recommended the following supply augmentation and facility expansion projects:

- ◆ Further investigate local surface water supply and storage.
- ◆ Complete feasibility and environmental studies for the North Area Groundwater Project.
- ◆ Identify a location for a new well with wellhead treatment in the north part of the City's distribution system to provide high-quality drinking water and improve fire suppression flow.
- ◆ Expand the West Hills WTP to continue to improve the water quality of the municipal supply and to meet the demands of new connections.
- ◆ Connect City Wells Nos. 4 and 5 to the West Hills WTP transmission pipeline and construct the Crosstown Pipeline to extend the reach of high-quality water and address hexavalent chromium concerns.
- ◆ Add flow equalization at the City's WRF to improve recycled water production.
- ◆ Expand the recycled-water distribution system to new customers, as needed.

4.1.5 2021 Memorandum of Understanding

The 2021 MOU continues the institutional collaboration among the City, County, Sunnyslope, and the District, and adds the City of San Juan Bautista (SJB) as a partner in future master plan updates and facility planning.

In 2020, SJB was fined by the U.S. Environmental Protection Agency (EPA) for violating discharge limits at its wastewater facility. The violations were in part due to the wastewater influent being high in sodium, chlorides, and total dissolved solids (TDS) concentrations. Such

influent is a result of poor-quality water for domestic use. As part of the resolution, SJB evaluated options for higher-quality source water for its municipal customers and reached an agreement with the District to provide treated water from the West Hills WTP.

4.1.6 2022 Water Supply and Treatment Plan

Most recently, the MOU participants collaborated on the development of the 2022 Water Supply and Treatment Plan, with the following objectives:

- ◆ Increase dry-year water supply reliability, particularly for existing users.
- ◆ Provide continuous improvement toward achieving drinking water quality goals for hardness and TDS.
- ◆ Provide a reliable and sustainable water supply to respond to long-term growth needs.
- ◆ Coordinate with ongoing programs including the SGMA and the supply of treated surface water to SJB.
- ◆ Continue to address water needs through coordinated regional solutions.

4.2. Maintain Imported Water Supply

The water imported through the San Felipe Division of the CVP system is critical to the ongoing maintenance and long-term health of the groundwater basin. Prior to the completion of the San Felipe Division, groundwater pumping was the primary source of water for agricultural irrigation, which began in 1878. The nearly 90 years of groundwater pumping resulted in significant drawdown of groundwater levels, by as much as 180 feet in some areas of the basin. Today, approximately 20,000 AFY (J. Cattaneo, 2022) of imported water is necessary to maintain the groundwater basin in balance and avoid long-term draw downs and overdraft.

The District should continue to collaborate with the USBR to maintain and renew its CVP contract, which provides 43,800 AFY of contracted supply, of which 35,550 AFY is for agricultural use and 8,250 AFY is for M&I use. The current contract extends until 2027 and may be renewed thereafter. The District renegotiated its baseline for the M&I portion of the CVP contract in 2014, which set the historical use at the full M&I contract amount of 8,250 AFY. That is important relative to the USBR Shortage Policy, because the annual allocations are set at a percentage of the baseline amount, typically ranging from 50 to 100 percent of baseline.

Over the past decade, the District has had an ongoing practice of purchasing out-of-basin water supplies to supplement its imported CVP supplies. These purchases have totaled 13,550 AF over the period, or an average of 2,258 AFY which is used to augment the M&I supply, particularly in years with reduced CVP allocations. Purchases are made, when available and cost-effective, from a variety of sources including irrigation districts north of the Sacramento-San Joaquin River Delta, the San Joaquin River Exchange Contractors, and other sources. These purchases range from single-year (spot market) purchases to multi-year agreements (typically up to 5 years). The District should continue to explore and secure these additional sources of imported supplies, particularly when storage is available (e.g., San Justo Reservoir, San Luis Reservoir, groundwater basin percolation, or other future storage projects per next section).

4.3. Long-term Planning

The 2022 Master Plan Update projected that the annual water demand will increase from 5,560 acre-feet per year (AFY) to approximately 9,190 AFY by 2035 and to approximately 12,500 AFY by 2045, an increase of approximately 6,940 AFY. The plan evaluated a series of projects and programs that support securing water supply and storage. These projects were further assessed and prioritized, as summarized in Table 1. These recommendations include continuing ongoing programs and new projects requiring further investigation. All of the long-term water supply options should be retained as a menu of alternatives to contribute to a diverse water supply portfolio. Due to the inherent uncertainties in California water supply (drought, environmental constraints, regulations, etc.), it is prudent to maintain maximum flexibility in planning for long-term water supplies.

The water supply options in Table 1 provide “building blocks” to meet the need for high-quality water. For example, the proposed aquifer storage and recovery (ASR) Phase 1 project could provide enough supply to meet the 2030 high-quality water need. If the ASR Phase 1 project reveals that ASR is not viable, then the North Area Groundwater project could be accelerated to provide that same increment of new supply.

Table 1. 2022 Master Plan Update Recommended Projects

Description	Priority Level	Estimated Average Annual Supply (AFY)	Recommended Action
Surface Water			
B.F. Sisk Dam Raise	3	1,500	Collaborate with USBR; Secure Storage Volume of 5,000 AF
PREP	4	TBD	Evaluate Appropriate Level of Engagement due to High Costs
Local Surface Water Storage	Future	TBD	Further Investigation Required
Groundwater			
ASR	1	1,000–2,190	Conduct Pilot Study
North Area Groundwater	2	1,000–2,000	Complete Feasibility and Environmental Studies
Ongoing Programs			
Water Conservation	1	—	Continue Existing Program
Imported Surface Water Transfers / Spot Market	1	As Needed	Continue Existing Program
Semitropic Water Bank	1	Drought Supply	Continue Existing Program
Local Wells for Large Landscape Areas	1	—	Continue Existing Program

4.4. Monitoring and Modeling

Key performance indicators (KPIs) should be monitored regularly to establish trends and refine the forecast for climate change impacts as well as additional mitigations (e.g., development of new sources of supply or storage) that may be needed. KPIs to track include:

- ◆ **Climate Data.** Climate data are regularly compiled from DWR’s California Irrigation Management Information System (CIMIS) and include total solar radiation, soil

temperature, air temperature/relative humidity, wind direction, wind speed, and precipitation. Two CIMIS stations are active in the area, both of which also measure evapotranspiration (ET_o):

- #126 San Benito, located at the SBCWD office on Mansfield Road with a record beginning in June 1994.
- #143, San Juan Valley, located at the San Juan Golf Course with a record beginning January 1998.
- ◆ **Groundwater.** As part of the Annual Groundwater Management Plan that the District prepares, groundwater levels, recharge, irrigation pumping, and other key metrics for the groundwater basin should continue to be monitored and tracked.
- ◆ **Water Supply.** The sources and quantity of water supply needed to meet the SBUA demand should be monitored and quantified on a monthly basis. Sources should include: imported CVP supply; local municipal groundwater; spot market water; and other sources of water that may be developed in the future. In addition, the District should track any CVP allocations that go unused, particularly in wet years.
- ◆ **Water Demands.** The potable water demand for the City, SSCWD, and SJB should be collected on a monthly basis and compared to projected water demands.
- ◆ **Potable Water Quality.** Key water quality metrics should continue to be tracked and monitored, including hardness, TDS, hexavalent chromium, and nitrate.
- ◆ **Recycled Water Quality.** Key water quality metrics should continue to be tracked and monitored for the wastewater effluent and recycled water, including specifically TDS.

The data described above should be reviewed periodically to evaluate trends, update models (e.g., groundwater model, water demand model, supply forecasts, etc.), and revisit risks, vulnerabilities, and mitigation strategies that may be needed.

4.5. Emergency Response Planning

The District, the City, and Sunnyslope have all passed ordinances or resolutions to address shortages in water supply. In addition, the Water Shortage Contingency Plan (WSCP) was updated in the recent 2020 UWMP. This Plan serves as a guide for adjusting supply and demand in response to a water shortage.

In response to the 2012-2016 drought, a new state mandate requires WSCPs to provide a more detailed analysis of supply and demand contingency actions and plan implementation. Additions to the 2020 WSCP include the documentation of plan procedures and implementation, standardization of water supply stages of action for the water supply plan, and quantification of contingency action effects on supply and demand.

The 2020 UWMP summarized that during a water shortage emergency, the agencies may choose to augment the water supply by increasing the proportion of groundwater in delivered water. Groundwater can make up for any decrease in CVP allocation during a drought. Local potable water is a blend of CVP water and groundwater, and the preferred ratio is established to meet aesthetic standards. The average proportion of the supply that is CVP water was

approximately 60 percent over the past five years. The proportion of groundwater can be temporarily increased if the CVP supply is limited or is insufficient to meet demand. Decreasing the proportion of potable water that is CVP is at the discretion of the agencies and may be enacted during stages 2 through 6. Augmenting the supply through increasing the proportion of groundwater in potable water is estimated to enhance the supply by up to 20 percent; however, it will result in higher hardness concentrations in the potable supply. Drought reserves in San Justo Reservoir can also augment supply during a water shortage emergency.

Hollister, Sunnyslope, and the District also have water shortage emergency response plans in place. Sunnyslope and the City have a general Emergency Disaster Response Plan as well as a Power Failure Emergency Response Plans. The plans include steps to be taken during and after a disaster and the use of the Standard Emergency Management System (SEMS). The District relies on their current Water User's Handbook and County emergency plans.

The 2020 UWMP mentions that under normal water supply conditions, potable water production values for Hollister and Sunnyslope are recorded daily and reported monthly. Water use will be monitored and analyzed through billing data. During a Stage 1, Stage 2, or Stage 3 water shortage, daily production figures will be reported to the Water Supervisor of each agency. The Supervisor will compare the weekly production to the target weekly production to verify that the reduction goal is being met. Weekly reports will be forwarded respectively to the General Manager of Sunnyslope, the Public Works Director at the City and to the Program Manager of the WRA. During a Stage 4, 5, or 6 water shortage, the daily production report will be provided to the General or City Manager of each agency. In Stages 1 through 6, monthly reports will be sent to the City Council and the Sunnyslope Board of Directors. If reduction goals are not met, the respective managers will notify the governing board of each agency that additional action is required. Once SJB is connected to the West Hills WTP, similar reporting mechanisms will be enacted.

5.0 Legislation

As described in the 2020 UWMP, Hollister, Sunnyslope, the District, and San Benito County have all established "No-Waste" ordinances, policies, and resolutions for their respective jurisdictions. The District has a Water Users Handbook that explains how each water user must take steps to control tailwater. If these policies are not followed, the District has the authority to discontinue service.

In addition to these existing ordinances, Emergency Water Conservation Regulations were passed in 2015 that added outdoor water restrictions. The Emergency regulations also added penalties for violating these restrictions including fines for repeated violations.

In accordance with Senate Bill 7, water suppliers must define a 10- or 15-year water use Base Period. This Base Period is used to calculate a Base Daily per Capita Water Use, which is the baseline for computation of required future reductions. Senate Bill 7 requires retailers to reduce per capita daily water use 10 percent by 2015 and 20 percent by 2020, as compared to Base Daily per Capita Water Use.

Water agencies must demonstrate compliance with their established water use target for the year 2020. Water use targets are calculated separately for Hollister and Sunnyslope and the associated information is provided by agency in the WUE portal to allow for each agency to have local control. Compliance is verified by DWR's review of the SB X7-7 Verification Form submitted with an agency's 2020 UWMP.

Based on estimated population (using the DWR population tool) and gross water use, the actual 2020 per capita daily water use was 114 gpcd and 119 gpcd, for Hollister and Sunnyslope, respectively. Both agencies not only met but exceeded their 2020 goals (119 gpcd and 135 gpcd, for Hollister and Sunnyslope respectively).

Assembly Bill 1668 and Senate Bill 606 built on California's efforts to make water conservation a way of life and created a new foundation for long-term improvements in water conservation and drought planning. Assembly Bill 1668 and Senate Bill 606 established guidelines for efficient water use and a framework for implementing and overseeing the new standards, which must be in place by 2022. The two bills strengthen the state's water resiliency in the face of future droughts with provisions that include the following:

- ◆ Establishing water use objectives and long-term standards for efficient water use that apply to urban retail water suppliers
- ◆ Providing incentives for water suppliers to recycle water
- ◆ Identifying small water suppliers and rural communities that might be at risk of drought and water shortage vulnerability and providing recommendations for drought planning
- ◆ Requiring both urban and agricultural water suppliers to set annual water budgets and prepare for drought

6.0 Community Engagement

The 2020 UWMP summarized that the Water Resources Association of San Benito County (WRA) already has water conservation programs to encourage drought tolerant landscaping, improve efficient irrigation practices, and reduce water waste and these programs have and will continue to reduce potential impacts from climate change.

Public outreach is central to the SBUA water conservation efforts. The 2020 UWMP summarizes that ongoing activities were ramped up in response to the State mandated water conservation in recent droughts. Specific activities include:

- ◆ Newsletter articles on conservation.
- ◆ Flyers and/or brochures, bill stuffers, messages printed on bill, information packets.
- ◆ Development and update of a website with resources for water conservation: www.wrasbc.org. The website provides details about ongoing water conservation programs and has three different water wise landscape plans available for download. Last updated in December 2020.
- ◆ Booths at Children's Festivals and Farmer's Market.

- ◆ Engagement with the community through responsiveness to emailed questions and concerns.
- ◆ Water Awareness Festival in May.

The full-time water conservation coordinator records the number and type of outreach activities. Newsletters are sent with water bills and are estimated to reach 40,000 people per year. Booths at festivals reached over 4,650 people in the last five years. Other outreach includes the website and email communication which reached about 800 people since 2016.

While there is no direct way to quantify public outreach, it is the foundation for all other programs. With methods to advertise and connect customers to other programs and information, all other demand management measures would be less effective. In addition, the expanded public outreach in response to the drought shows a direct connect between increased public outreach and decreased water use.

Public outreach and education, coupled with demand reduction programming like rebates and home surveys, can decrease long-term demand, increase reliability, and minimize the need to import water from other regions.

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C

Appendix C

Summary of the Accelerated Drought Response Project (ADRoP) Technical Memorandum



Accelerated Drought Response Project

Technical Memorandum

Date: October 25, 2022

Prepared By: Sifang Shan

Reviewed By: Holly Kennedy

Subject: **Summary of the Accelerated Drought Response Project (ADRoP)**

Background

San Benito County Water District (SBCWD) has a contract with the United States Bureau of Reclamation (USBR) to import surface water for agricultural (Ag) and municipal/industrial (M&I) uses to its service area via the Central Valley Project (CVP), a system of reservoirs, canals and pumping stations. SBCWD's contract with USBR is for a total supply of 43,800 acre-feet per year (AFY), of which 35,550 AFY is for Ag use and 8,250 AFY is for M&I use. The USBR establishes allocations on an annual basis depending on hydrologic conditions in the state. Once imported, the M&I supply is treated at local surface water treatment plants and delivered to the City of Hollister (COH) and Sunnyslope County Water District (Sunnyslope), where the water is blended with groundwater from municipal wells to improve water quality in the municipal drinking water system. SBCWD will also begin delivering treated surface water to the City of San Juan Bautista (San Juan Bautista) in 2025.

The 2022 Water Supply and Treatment Plan Update (2022 Plan) evaluated the reliability of the existing CVP supply and concluded that although the supply is sufficient to meet M&I demands in wet and normal years, during dry years, there is a supply deficit for existing users. Moreover, the 2022 Plan noted that in approximately 25 percent of years (wet and above normal years), there is approximately 6,000 AFY of excess CVP supply that goes unused. As a result, the 2022 Plan evaluated various water supply alternatives to increase the resiliency of the water supply, with many alternatives designed to provide storage of water available in wet years for later use during dry years. The highest-ranking alternative in the 2022 Plan is Aquifer Storage and Recovery (ASR), which would create the ability to capture excess CVP water in wet years and later extract that water for use during drought years.

In addition to reduced imported supply quantity during dry years, when the CVP allocations are curtailed, local groundwater is pumped from municipal wells owned by the City, Sunnyslope, and San Juan Bautista. The local groundwater has higher levels of hardness, salts, and elevated levels of hexavalent chromium and, in some cases, nitrate. As a result,



Accelerated Drought Response Project

the delivered water quality is also impacted during dry years, when the allocations are reduced and a greater portion of the demand is met with groundwater. The ASR project will address this as well, as the project is expected to deliver a water quality similar to that of the imported supply (although some mixing with native groundwater could occur).

The overall ASR project has the capacity to inject and store 6,000 AF of water. The ASR project consists of eleven ASR wells, expansion of the West Hills Water Treatment Plant (WHWTP), a new dedicated water treatment plant and associated transmission and conveyance pipelines. The overall project cost is itemized in Appendix A. As described in the 2022 Plan, the ASR project was envisioned to be constructed in three phases. The first phase would rely on potable water from the City's distribution system (a blend of treated surface water and groundwater) for injection into the groundwater basin at one well. The second phase would include five additional wells and a dedicated water treatment plant to treat the imported surface water prior to injection. The third phase would include six additional wells and an expansion of the dedicated water treatment plant.

Due to the ongoing drought, the ASR project has been re-envisioned to facilitate greater storage on an accelerated timeline. This accelerated project is the subject of this memorandum and described further below.

Project Description

The Accelerated Drought Response Project (ADRoP) is an ASR project that will store treated excess CVP water via ASR wells and extract the stored water from the same wells with wellhead treatment, such as disinfection, during drought periods. ADRoP can store between 1,600 acre-feet-per-year (AFY) and 2,700 AFY of excess CVP surface water in wet years and generate an average annual yield of 650 AF to 1,035 AF¹. The project components consist of three to five ASR wells, the expansion of the existing West Hills Water Treatment Plant (WHWTP), and associated transmission pipelines. The wells are spaced to allow for efficient injection, the WHWTP is expanded to treat excess CVP water to be injected into the ASR wells, and the pipelines are sized to convey the injection and extracted water as well as to remove hydraulic bottlenecks in the existing COH distribution system. Figure 1 presents the study area, including the locations of cities and Disadvantaged Communities (DACs) that will benefit from ADRoP. Figure 2 demonstrates the major project components of ADRoP and their general locations around the City of Hollister.

¹ Average annual yield is calculated for a cycle of wet, normal, and dry years of frequency of 30%, 35% and 35%, respectively.



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Accelerated Drought Response Project

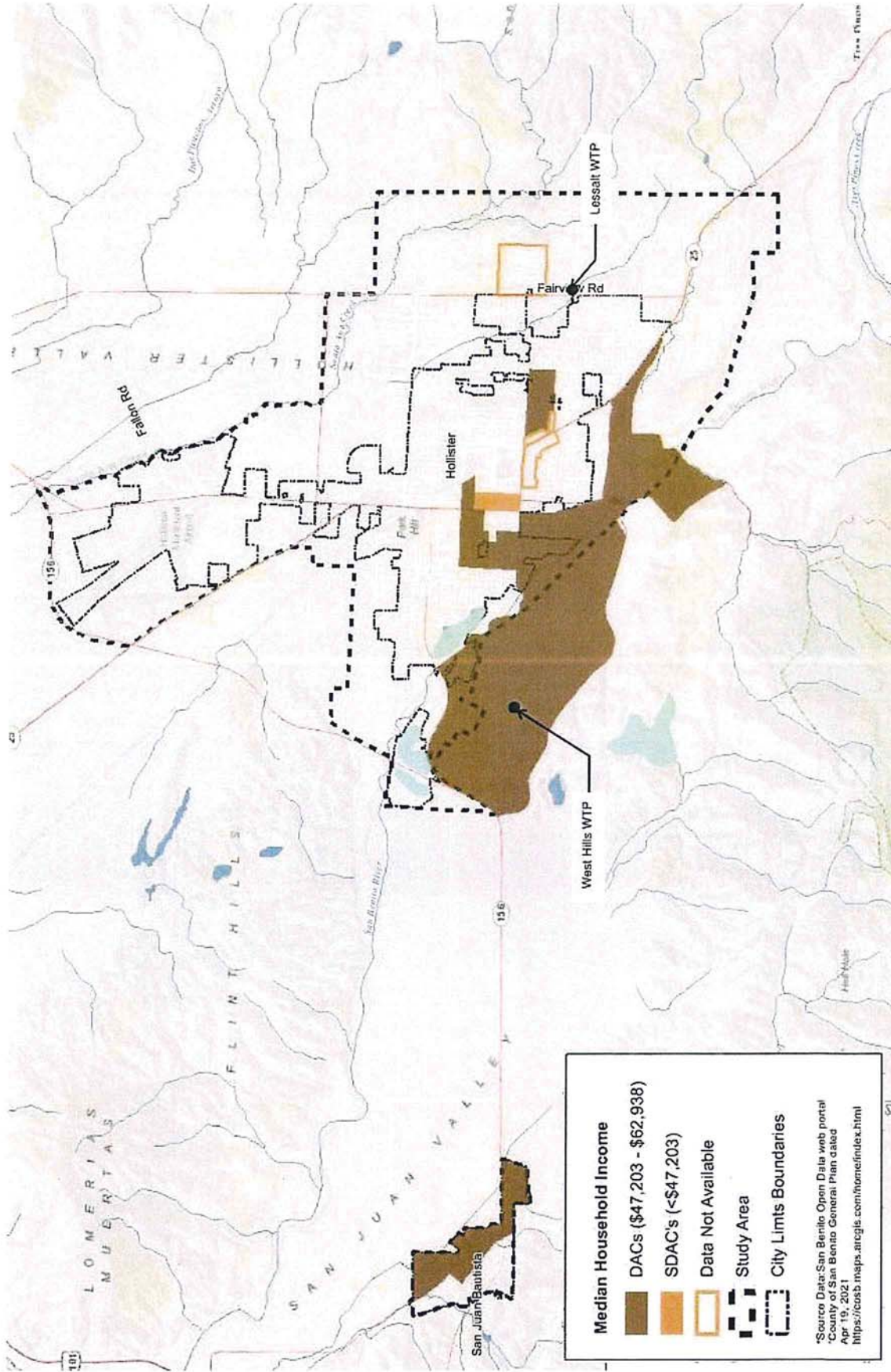


Figure 1. Project Service Area and Existing Treatment Facilities.

Accelerated Drought Response Project

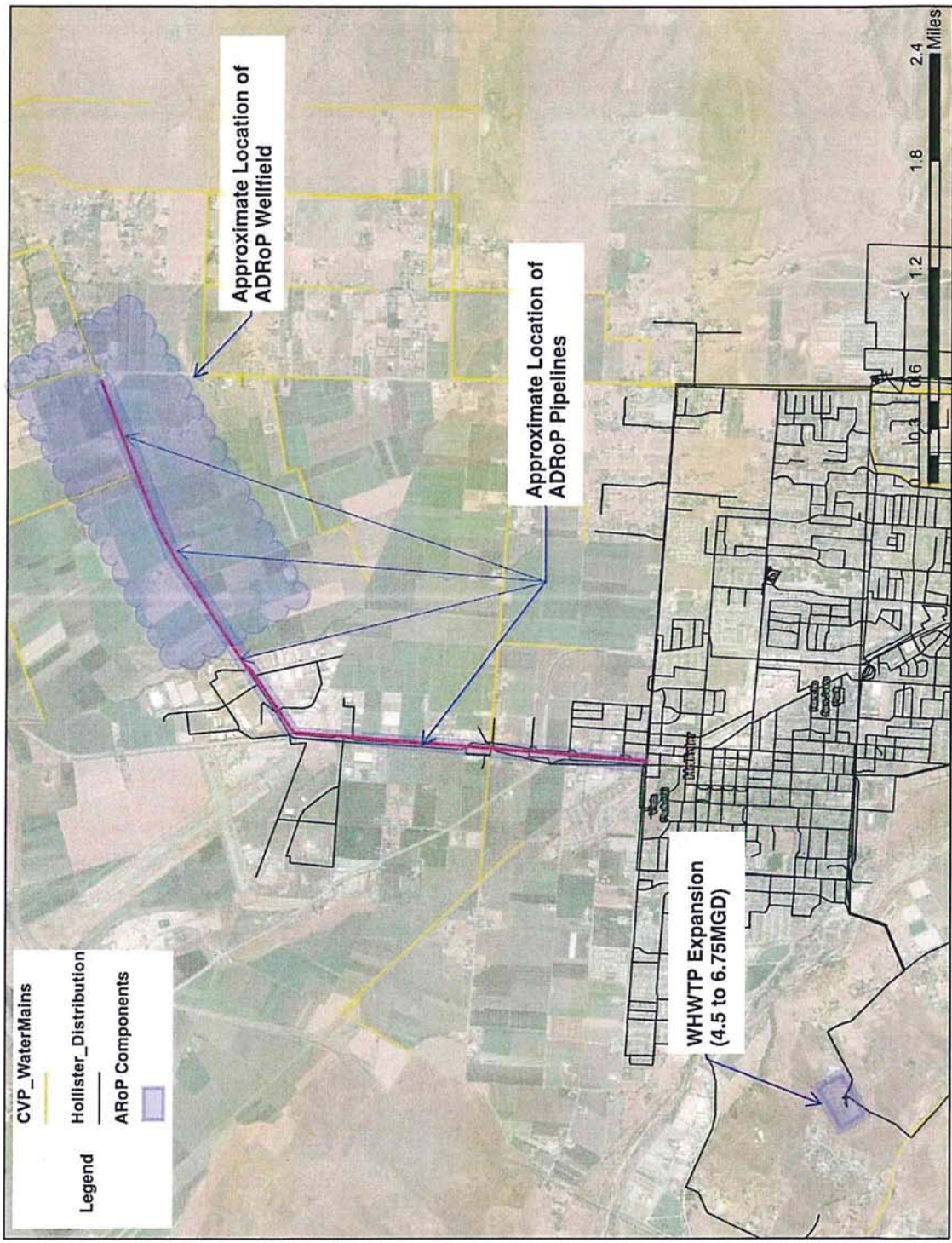


Figure 2. Major Project Components and Their Locations



Accelerated Drought Response Project

Table 1 summarizes the design criteria of the major project components for the ADRoP.

Table 1. Preliminary Project Component Design Criteria

Element	Unit	ADRoP
Injection Wells		
Total Number	-	3 - 5
Max Injection Capacity (Each)	GPM	500
Max Extraction Capacity (Each)	GPM	1,000
WHWTP Expansion		
Total Flowrate	MGD	2.25
Wellfield Transmission Pipelines		
Diameter	Inches	16 - 18
Length	Miles	0.6 - 1.2
Distribution Transmission Pipeline		
Diameter	Inches	18
Length	Miles	0.75
Parallel Distribution Pipeline		
Diameter	Inches	12
Length	Miles	2.5

Project Cost Summary

Table 2 summarizes the capital and operation and maintenance (O&M) costs for the ADRoP project versus the overall ASR project.

Table 2. Summary of Estimated Capital Cost

	Capital Cost ⁽¹⁾	Capacity (AF)	Capital Cost/AF	Annual O&M Cost ⁽²⁾	Total Present Worth Lifecycle Cost ⁽²⁾
3 Wells	\$32,400,000	1,600	\$20,300	\$1,457,000	\$59,200,000
5 Wells	\$40,100,000	2,700	\$14,900	\$2,448,000	\$85,200,000
ASR Total	\$105,400,000	6,000	\$17,500	\$5,433,000	\$205,400,000

Notes:

- (1) Capital costs are itemized in Appendix A.
- (2) Annual O&M cost and lifecycle cost calculations are presented in Appendix B.



Accelerated Drought Response Project

Table 3 presents the cost per acre foot per year, referred to as the yield cost.

Table 3. Summary of Estimated Yield Cost

	Annual Capital Cost ⁽¹⁾	Annual O&M Cost	Total Annual Cost	Estimated Annual Yield (AFY)	Yield Cost/AFY
3 Wells	\$1,762,000	\$1,457,000	\$3,213,000	650	\$4,960
5 Wells	\$2,180,000	\$2,448,000	\$4,623,000	1,035	\$4,480
ASR Total	\$5,731,000	\$5,433,000	\$11,164,000	2,190	\$5,100

Notes:

(1) Capital cost is annualized with a 3.5% interest rate over 30 years of lifespan.

Project Benefits

Multiple benefits will be provided with the implementation of ADRoP, including enhanced reliability of water supply, improved water quality, and environmental and social benefits. Each of these is further described below.

Water Supply

The Project will capture and store excess CVP water in wet years to reduce dependencies on native groundwater or CVP spot market purchases in dry years. The Project facilities will be designed to store up to 2,700 AFY of high-quality, imported surface water in wet years, therefore optimizing the use of imported supplies in wet years and groundwater storage and maximizing conjunctive use for the region. The DACs in the area have traditionally relied on groundwater production for the majority of their demands, especially in the City of San Juan Bautista. The project will improve the reliable delivery of a high quality drinking water in dry years.

Water Quality

The Project will not only help SBCWD meet drought demands, but also improve drought water quality due to ability to recover high quality ASR water in dry years. The native groundwater is high in hardness, TDS, nitrate and/or Chromium VI. The most recent concentration of Chromium VI in City of Hollister production wells was 12.25 µg/L. Through blending with ASR water via existing and new infrastructure, the system-wide concentration of these constituents will drop significantly. Assuming the water supply is blended with 70 percent CVP water, the resulting concentration would be approximately 3.675 µg/L Chromium VI. In addition, the project will benefit DAC water quality needs. The DACs in the area have traditionally relied on groundwater production for the majority of their demands, especially in the City of San Juan Bautista.



Accelerated Drought Response Project

Environmental and Social Benefits

The Hollister service area has several DAC areas in the southern parts of the city, and the City of San Juan Bautista has DACs in the northern and western area. These areas have traditionally been heavily dependent on groundwater production. The local groundwater is high in hardness, TDS, nitrate (in San Juan Bautista wells) and Chromium VI (in Hollister wells). The storage and recovery process will not only provide these areas with higher quality water during droughts, but also improve basin health through reduced pumping of native groundwater. The reduced groundwater pumping and improved basin health will also benefit local agricultural communities.

Project Schedule

As previously described, the original ASR concept described in the 2022 Plan was reconfigured to accelerate the timeline of the project. ADRoP relies on an expansion of the WHWTP as opposed to a new water treatment plant. This change facilitates significant schedule savings, resulting in a completed project in early 2026. The detailed project schedule is included in Appendix C.

Appendix A

Accelerated Drought Response Project (3 Wells)					
Unit	Unit Cost Oct 22	Quantity	Subtotal	Notes	
ASR Wells (3 x 500 gpm)			\$4,490,000		
Sitework					
Deep Well with 12" Casing	\$82,515	3	\$247,546	1 Well-site	
ASR Well Pumps	\$660	2,400	\$1,584,293	800' Depth for Each Well	
ASR Well Pump VFD	\$77,014	3	\$231,043		
Prefabricated Enclosure	\$33,006	3	\$99,018		
Down-Hole Control Valve	\$132,024	3	\$396,073		
Wellhead Disinfection	\$110,020	3	\$330,061		
Onsite Piping, Valves and Appurtenances	\$200,000	3	\$600,000		
Electrical	\$220,041	3	\$660,122		
Instrumentation	\$243,267	1	\$243,267	3% of Civil and Mechanical	
	\$162,178	1	\$97,307	2% of Civil and Mechanical	
Transmission and Distribution Pipeline			\$3,710,000		
Wellfield Transmission Pipe (Well 2&3)	\$170	1,600	\$272,427	16" HDPE	
Wellfield Transmission Pipe (Well 1&2)	\$192	1,610	\$308,396	18" HDPE	
Distribution Pipe to Hollister System	\$192	4,000	\$768,202	18" HDPE	
Parallel Distribution Pipe along San Felipe Rd	\$128	13,000	\$1,660,104	12" HDPE	
Connection to Existing Systems	\$110,020	3	\$330,061		
Misc Valves, Fittings and Appurtenances	\$121,022	3	\$363,067		
WHWTP Expansion (4.5 to 6.75 MGD)			\$7,095,547	Quantity is adjusted to describe expansion to 6.75MGD as opposed to 9MGD	
Site Civil			\$81,887		
Actiflo Carb	\$163,775	0.5	\$81,887		
Gravily Filters	\$3,041,534	1.0	\$3,041,534	Actiflo Carb only comes in 4.5MGD modules	
Cleanwell	\$1,754,731	0.5	\$877,366		
Chemical Feed/Storage Equipment	\$244,493	0.5	\$122,246		
Drying Beds	\$409,437	0.5	\$204,719		
Yard Piping	\$463,249	0.5	\$231,624		
Electrical	\$1,392,087	0.5	\$696,043		
Instrumentation	\$463,249	0.5	\$231,624		
Subtotal Capital Cost			\$15,300,000		
Contractor OH&P			\$1,836,000		
General Conditions			\$918,000		
Mobilization, Bonds & Insurance			\$918,000		
Subtotal			\$18,972,000		
Contingency			\$5,691,600		
Subtotal w/Contingency			\$24,663,600		
Engineering, Permitting, Admin & CM			\$7,400,000		
Land Acquisition				Assuming 0.23AF per well. Unit cost is based on Redfin sales data	
ROW	100,000	0.7	\$100,000		
		7,210	\$141,234	Only pipes along Fallon Rd	
Total Conceptual Capital Cost			\$32,400,000		
High End of Range			\$48,600,000		
Low End of Range			\$24,300,000		

(1) Unit Costs of well construction are escalated based on cost estimates enclosed in the Draft Evaluation of Water Supply and Storage Alternatives submitted in July 2021. July 2021 ENR CCI is 13762 and October 2022 CCI is 15141 for San Francisco Bay Area.

(2) Unit Costs of pipelines are escalated based on cost estimates enclosed in the final Groundwater Recharge Alternatives Facility Plan submitted in January 2022. December 2021 (time of estimate) ENR CCI is 14228 and October 2022 CCI is 15141 for San Francisco Bay Area.

(3) Unit Costs of treatment plant are adjusted based on cost estimates completed for the Final Draft San Benito Urban Areas Water Supply and Treatment Master Plan Update submitted in June 2022. January 2022 (time of estimate) ENR CCI is 14301 and October 2022 CCI is 15141 for San Francisco Bay Area.

Accelerated Drought Response Project (5 Wells)					
	Unit	Unit Cost Oct 22	Quantity	Subtotal	Notes
ASR Wells (5 x 500 gpm)				\$7,590,000	
Sitework	LS	\$82,515	5	\$412,576	1 Well-site
Deep Well with 12" Casing	VLF	\$660	4,000	\$2,640,488	800' Depth for Each Well
ASR Well Pumps	EA	\$77,014	5	\$385,071	
ASR Well Pump VFD	EA	\$33,006	5	\$165,031	
Prefabricated Enclosure	LS	\$132,024	5	\$660,122	
Down-Hole Control Valve	EA	\$110,020	5	\$550,102	
Wellhead Disinfection	LS	\$200,000	5	\$1,000,000	
Onsite Piping, Valves and Appurtenances	LS	\$220,041	5	\$1,100,203	
Electrical	LS	\$405,444	1	\$405,444	3% of Civil and Mechanical
Instrumentation	LS	\$270,296	1	\$270,296	2% of Civil and Mechanical
Transmission and Distribution Pipeline				\$4,220,000	
Wellfield Transmission Pipe (Well 2&3)	FT	\$170	1,600	\$272,427	16" HDPE
Wellfield Transmission Pipe (Well 3&4)	FT	\$170	1,500	\$255,401	16" HDPE
Wellfield Transmission Pipe (Well 4&5)	FT	\$170	1,500	\$255,401	16" HDPE
Wellfield Transmission Pipe (Well 1&2)	FT	\$192	1,610	\$308,396	18" HDPE
Distribution Pipe to Hollister System	FT	\$192	4,000	\$766,202	18" HDPE
Parallel Distribution Pipe along San Felipe Rd	FT	\$128	13,000	\$1,660,104	12" HDPE
Connection to Existing Systems	LS	\$110,020	3	\$330,061	
Misc Valves, Fittings and Appurtenances	LS	\$121,022	3	\$363,067	
WHWTP Expansion (4.5 to 6.75 MGD)				\$7,095,547	Quantity is adjusted to describe expansion to 6.75MGD as opposed to 9MGD
Site Civil	LS	\$163,775	0.5	\$81,887	
Acidto Carb	LS	\$3,041,534	1.0	\$3,041,534	Acidto Carb only comes in 4.5MGD modules
Gravity Filters	LS	\$3,217,007	0.5	\$1,608,503	
Cleanwell	LS	\$1,754,731	0.5	\$877,366	
Chemical Feed/Storage Equipment	LS	\$244,493	0.5	\$122,246	
Drying Beds	LS	\$409,437	0.5	\$204,719	
Yard Piping	LS	\$463,249	0.5	\$231,624	
Electrical	LS	\$1,392,087	0.5	\$696,043	
Instrumentation	LS	\$463,249	0.5	\$231,624	
Subtotal Capital Cost				\$18,910,000	
Contractor OH&P	12%			\$2,269,200	
General Conditions	6%			\$1,134,600	
Mobilization, Bonds & Insurance	6%			\$1,134,600	
Subtotal				\$23,448,400	
Contingency	30%			\$7,034,600	
Subtotal w/Contingency				\$30,483,000	
Engineering, Permitting, Admin & CM	30%			\$9,145,000	
Land Acquisition	LS	100,000	1.2	\$200,000	Assuming 0.23AF per well. Unit cost is based on Redfin sales data
ROW	FT	20	10,210	\$200,000	Only pipes along Fallon Rd
Total Conceptual Capital Cost				\$40,100,000	
High End of Range				\$60,150,000	
Low End of Range				\$30,075,000	

(1) Unit Costs of well construction are escalated based on cost estimates enclosed in the Draft Evaluation of Water Supply and Storage Alternatives submitted in July 2021. July 2021 ENR CCI is 13762 and October 2022 CCI is 15141 for San Francisco Bay Area.

(2) Unit Costs of pipelines are escalated based on cost estimates enclosed in the final Groundwater Recharge Alternatives Facility Plan submitted in January 2022. December 2021 (time of estimate) ENR CCI is 14228 and October 2022 CCI is 15141 for San Francisco Bay Area.

(3) Unit Costs of treatment plant are adjusted based on cost estimates completed for the Final Draft San Benito Urban Areas Water Supply and Treatment Master Plan Update submitted in June 2022. January 2022 (time of estimate) ENR CCI is 14301 and October 2022 CCI is 15141 for San Francisco Bay Area.

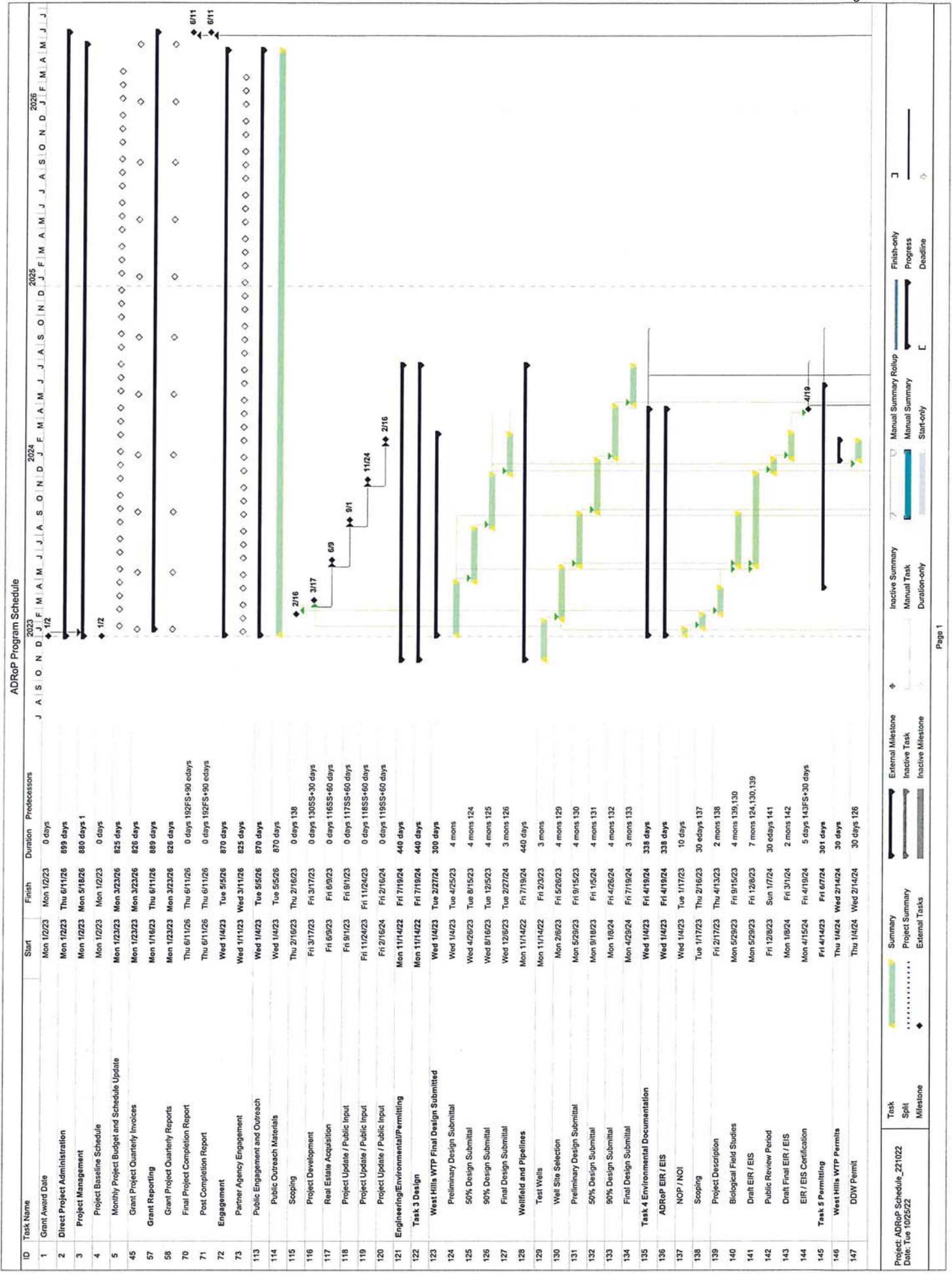
Overall ASR Project						
	Unit	Unit Cost Oct 22	Quantity	Subtotal	Notes	
ASR Wells (11 x 500 gpm)						
Sitework	LS	\$90,767	11	\$16,440,000		
Deep Well with 12" Casing	VLF	\$726	8,800	\$998,435	1 Well-site	
ASR Well Pumps	EA	\$84,716	11	\$6,389,982	800' Depth for Each Well	
ASR Well Pump VFD	EA	\$36,307	11	\$931,872		
Prefabricated Enclosure	LS	\$198,037	11	\$399,374		
Down-Hole Control Valve	EA	\$121,022	11	\$2,178,403		
Onsite Piping, Valves and Appurtenances	LS	\$242,045	11	\$1,331,246		
Electrical	LS	\$926,003	1	\$2,662,492	3% of Civil and Mechanical	
Instrumentation	LS	\$617,335	1	\$617,335	2% of Civil and Mechanical	
Transmission and Distribution Pipeline						
CVP Diversion Pipe to WTP	FT	\$253	3,120	\$789,506	20" HDPE	
New WTP Influent and Effluent Pipes	FT	\$192	5,460	\$1,045,866	18" HDPE	
Wellfield Transmission Pipe (Well 1&2)	FT	\$192	1,610	\$308,396	18" HDPE	
Wellfield Transmission Pipe (Well 2&3)	FT	\$170	1,600	\$272,427	16" HDPE	
Wellfield Transmission Pipe (Well 3&4)	FT	\$170	1,500	\$255,401	16" HDPE	
Wellfield Transmission Pipe (Well 4&5)	FT	\$170	1,500	\$255,401	16" HDPE	
Wellfield Transmission Pipe (Well 5&6)	FT	\$170	1,600	\$272,427	16" HDPE	
Wellfield Transmission Pipe (Well 6&7)	FT	\$132	1,500	\$198,037	12" HDPE	
Wellfield Transmission Pipe (Well 8&9)	FT	\$132	1,940	\$256,127	12" HDPE	
Wellfield Transmission Pipe (Well 9&10)	FT	\$170	2,360	\$401,830	16" HDPE	
Wellfield Transmission Pipe (Well 10&11)	FT	\$132	1,750	\$231,043	12" HDPE	
Distribution Pipe to Hollister System	FT	\$192	4,000	\$766,202	18" HDPE	
Parallel Distribution Pipe along San Felipe Rd	FT	\$128	13,000	\$1,660,104	12" HDPE	
Connection to Existing Systems	LS	\$110,020	3	\$330,061		
Misc Valves, Fittings and Appurtenances	LS	\$121,022	3	\$363,067		
Concentrate Management						
Concentrate to Hollister Conduit Pipe	FT	\$121	9,510	\$1,150,923	6" HDPE	
New Water Treatment Plant (5.5 MGD)						
Influent Flow Control	EA	\$60,511	2.0	\$121,022		
MF Feed Pumps	EA	\$48,409	3.5	\$169,431		
Microfiltration Membranes Skids	MGD	\$568,805	5.5	\$3,128,429		
Nanofiltration Membrane Skids	MGD	\$896,776	2.8	\$2,510,972	50% Bypass to NF during Injection	
NF Feed Pumps	EA	\$84,716	4.4	\$372,749		
Membrane Reject Pumps and Storage Tanks	LS	\$363,067	2.2	\$798,748		
Cleanwell Steel Tank	EA	\$242,045	1.0	\$242,045		
Finished Water Pumping Station	LS	\$363,067	2.2	\$798,748		
Chemical Processes	LS	\$484,090	2.0	\$968,179		
Solids Drying Beds	LS	\$423,578	2.0	\$847,157		
Plate Settler Sedimentation Basin for Solids	LS	\$242,045	2.0	\$484,090		
Admin/Chemical/Treatment Building	SF	\$242	8,000	\$1,936,358		

Sitework and Access Roads	LS	\$242,045	2.0	\$484,090	
Onsite Piping, Valves and Appurtenances	LS	\$968,179	1.8	\$1,694,313	
Electrical	LS	\$1,159,842	1.5	\$1,739,762	
Instrumentation and Controls	LS	\$749,265	1.5	\$1,123,898	
Low Head Concentrate Pumps	EA	\$33,006	4.0	\$132,024	
WWTP Expansion (4.5 to 6.75 MGD)					
Site Civil	LS	\$163,775	0.5	\$81,887	Quantity is adjusted to describe expansion to 6.75MGD as opposed to 9MGD
Actiflo Carb	LS	\$3,041,534	1.0	\$3,041,534	
Gravity Filters	LS	\$3,217,007	0.5	\$1,608,503	Actiflo Carb only comes in 4.5MGD modules
Cleanwell	LS	\$1,754,731	0.5	\$877,366	
Chemical Feed/Storage Equipment	LS	\$244,493	0.5	\$122,246	
Drying Beds	LS	\$409,437	0.5	\$204,719	
Yard Piping	LS	\$463,249	0.5	\$231,624	
Electrical	LS	\$1,392,087	0.5	\$696,043	
Instrumentation	LS	\$463,249	0.5	\$231,624	
Subtotal Capital Cost				\$49,670,000	
Contractor OH&P	12%			\$5,960,400	
General Conditions	6%			\$2,980,200	
Mobilization, Bonds & Insurance	6%			\$2,980,200	
Subtotal				\$61,590,800	
Contingency	30%			\$18,477,300	
Subtotal w/Contingency				\$80,068,100	
Engineering, Permitting, Admin & CM	30%			\$24,021,000	
Land Acquisition	LS	100,000	6.0	\$700,000	Assuming 0.23AF per well and 3.5AF for the new WTP. Unit cost is based on Redfin sales data
ROW	FT	20	28.870	\$600,000	Only pipes among wells and to Distribution
Total Conceptual Capital Cost				\$105,400,000	
High End of Range		50%		\$158,100,000	
Low End of Range		-25%		\$79,050,000	
(1) Unit Costs of well construction are escalated based on cost estimates enclosed in the Draft Evaluation of Water Supply and Storage Alternatives submitted in July 2021. July 2021 ENR CCI is 13762 and October 2022 CCI is 15141 for San Francisco Bay Area.					
(2) Unit Costs of pipelines are escalated based on cost estimates enclosed in the final Groundwater Recharge Alternatives Facility Plan submitted in January 2022. Decemebr 2021 (time of estimate) ENR CCI is 14228 and October 2022 CCI is 15141 for San Francisco Bay Area.					
(3) Unit Costs of treatment plant are adjusted based on cost estimates completed for the Final Draft San Benito Urban Areas Water Supply and Treatment Master Plan Update submitted in June 2022. January 2022 (time of estimate) ENR CCI is 14301 and October 2022 CCI is 15141 for San Francisco Bay Area.					

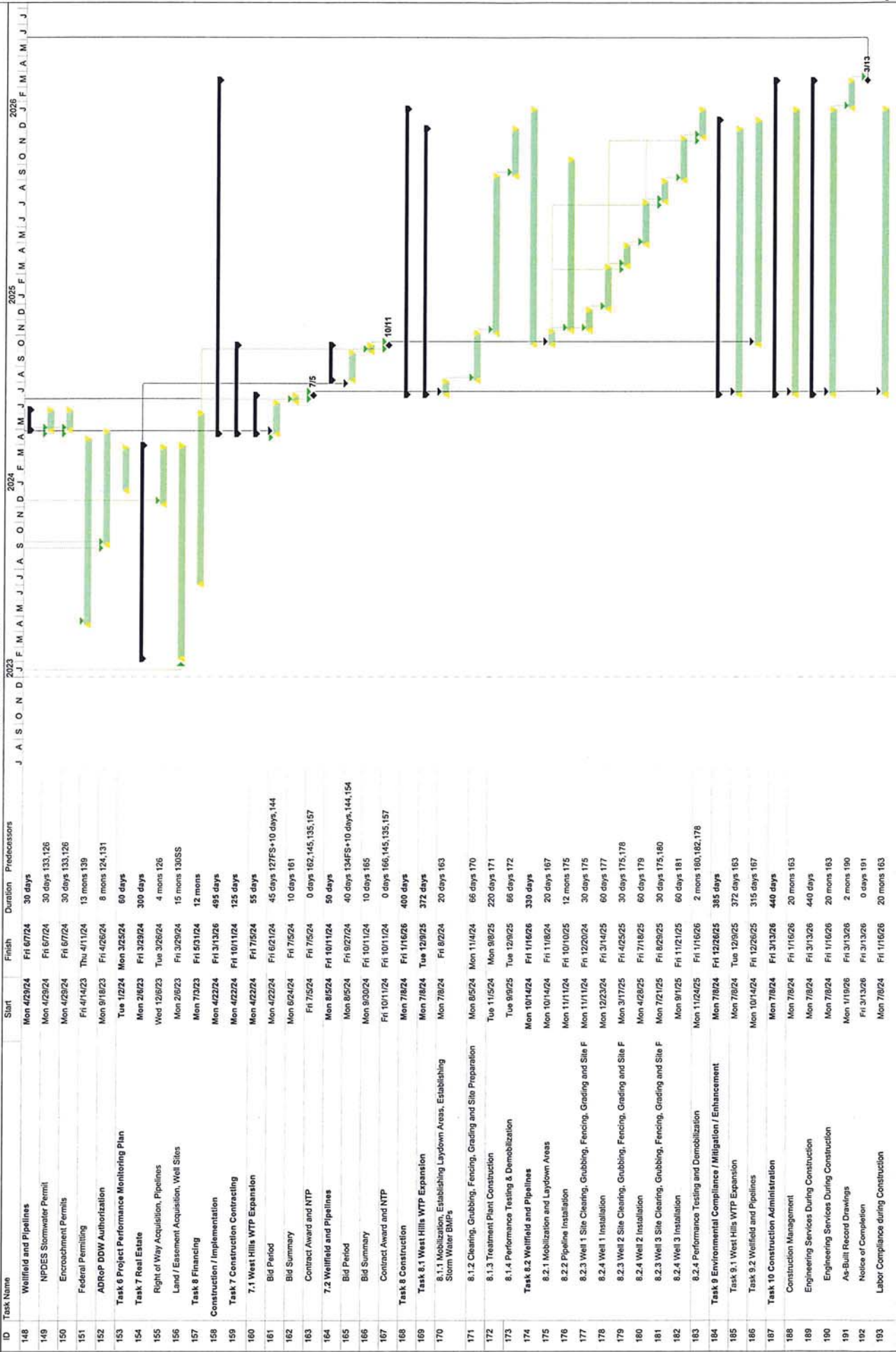
Appendix B

Lifecycle Cost Calculations				Notes
	ADRoP 3 Wells	ADRoP 5 Wells	Overall ASR	
Construction Cost (w/o WTP)	\$8,200,000	\$11,810,000	\$25,010,000	
O&M Cost Factor	0.50%	0.50%	0.50%	
Total Annual O&M Cost	\$41,000	\$59,050	\$125,050	
P/A Factor for 30 Years @ 3.5% Interest Rate	18.4	18.4	18.4	
<u>Total Lifecycle O&M Cost</u>	<u>\$754,400</u>	<u>\$1,086,520</u>	<u>\$2,300,920</u>	
Water to be Treated Per Year	1,600	2,700	6,000	
WTP Treatment Cost/AF	\$885	\$885	\$885	Used Lassalt WTP operation cost data and
Water Treatment Yearly O&M Cost	\$1,415,302	\$2,388,322	\$5,307,381	CVP Water fixed costs from July 2021.
<u>Water Treatment Lifecycle O&M Cost</u>	<u>\$26,041,552</u>	<u>\$43,945,119</u>	<u>\$97,655,819</u>	Escalated to October 2022 using ENR CCIs \$404
Water Purchase for Blending	\$0	\$0	\$0	CVP Water Fixed Costs/AF \$400
<u>Water Purchase Lifecycle Cost</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	LSWTP Costs/AF
Total Lifecycle O&M Cost (30 Years)	\$26,800,000	\$45,100,000	\$100,000,000	
Capital Cost	\$32,400,000	\$40,100,000	\$105,400,000	
Total Lifecycle Cost	\$59,200,000	\$85,200,000	\$205,400,000	
Capacity Calculations				
	3 Wells	5 Wells	Overall ASR	
Injection Capacity (AF)	1,600	2,700	6000	
To Dist System (AF)	-	-	-	
To Wells (AF)	1,600	2,700	6,000	
Yield Calculations				
Wet Year Frequency		30%		
Normal Year Freq		35%		
Dry Year		35%		
Wet Year (AF, for demand or fireflow)	300	300	300	
Normal Year (AF)	-	-	-	
Dry Year (AF)	1,600	2,700	6,000	
Average Annual Yield	650	1,035	2,190	

Appendix C



ADRoP Program Schedule



Project: ADRoP Schedule_211022
 Date: Tue 10/25/22

Task: Wellfield and Pipelines

Legend:

- Task: Green bar
- Split: Dotted line
- Milestone: Diamond
- Summary: Yellow bar
- Project Summary: Blue bar
- External Tasks: Grey bar
- External Milestone: Diamond
- Inactive Milestone: Grey diamond
- Inactive Task: Grey bar
- Inactive Milestone: Grey diamond
- Manual Summary Rollup: Blue bar with arrow
- Manual Summary: Blue bar
- Start-only: Blue bar with arrow
- Manual Summary Rollup: Blue bar with arrow
- Manual Summary: Blue bar
- Start-only: Blue bar with arrow
- Finish-only: Blue bar with arrow
- Progress: Blue bar with arrow
- Deadline: Blue bar with arrow

Page 2

DOCUMENT #

MOU 002226

MEMORANDUM OF UNDERSTANDING

SAN BENITO COUNTY URBAN AREA WATER SUPPLY MASTER PLAN

This Memorandum of Understanding (MOU) is effective upon execution by all parties by and among the CITY OF HOLLISTER (CITY), the CITY OF SAN JUAN BAUTISTA (SJB), SAN BENITO COUNTY (COUNTY), SAN BENITO COUNTY WATER DISTRICT (SBCWD), and SUNNYSLOPE COUNTY WATER DISTRICT (SSCWD), hereinafter called the Parties.

RECITALS

WHEREAS, California Government Code Section 6502, authorizes public entities, including cities, counties, and special districts to enter into agreements for their mutual benefit; and

WHEREAS, The Parties have compelling and mutual interest in developing and implementing the WATER SUPPLY MASTER PLAN; and

WHEREAS, The Parties want to ensure cooperation and mutual support for successful and cost-effective development and implementation of the WATER SUPPLY MASTER PLAN and future water projects in San Benito County; and

WHEREAS, The Parties understand and agree, SBCWD will continue to be the lead agency responsible for providing water supply to meet urban demands into the future; and

WHEREAS, The Parties agree that nothing in the Hollister Urban Area Water Supply and Treatment Agreement or the Agreement for Water Treatment Operations and Maintenance shall be superseded or modified unless specifically agreed upon by the Parties to the respective agreement.

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED by the Parties as follows:

1. BACKGROUND

The Hollister Urban Area Water and Wastewater Master Plan (MASTER PLAN) was completed in 2008 and updated in 2017. The MASTER PLAN provides a long-term vision for water, wastewater, and recycled water management actions and infrastructure improvements to improve water quality and reliability.

Following recommendations of the MASTER PLAN, local agencies have collaborated to successfully implement the following projects and related institutional agreements:

- COH Water Reclamation Facility.
- Water Recycling Project.

- SSCWD Ridgemark Wastewater Treatment Improvements.
- COH, SSCWD, and SBCWD Hollister Urban Area Water Supply and Treatment Agreement.
- SSCWD and SBCWD Agreement for Water Treatment Operation and Maintenance Services.
- SBCWD Improvements to the Lessalt Water Treatment Plant to serve the COH and SSCWD.
- SBCWD Construction of the West Hills Water Treatment Plant to serve the COH and SSCWD.
- SSCWD and COH Construction of the Crosstown Pipeline.

The MASTER PLAN also identified the need for the agencies to begin preliminary work for the development of additional long-term water supplies to serve projected growth in the Hollister Urban Area and to provide additional dry year water supply reliability. SBCWD has completed an evaluation of water supply and storage alternatives including local options and participation with Valley Water in the proposed Pacheco Reservoir Expansion Project (PREP).

An update to the MASTER PLAN is required at this time to confirm water demand forecasts, identify the preferred long-term water supply option, and incorporate SJB into the urban water supply program. The current severe drought has also increased the need for improved dry year supply reliability. Finally, significant opportunities are anticipated for grant funding for water projects in 2022. A coordinated regional plan and approach will be necessary to position for these potential funding sources.

The initial emphasis for the MASTER PLAN update shall be on the water supply component. Once the COH General Plan Update is complete and LAFCO issues related to wastewater service are resolved, the wastewater component of the Master Plan update may be addressed. The initial work shall be referred to as the WATER SUPPLY MASTER PLAN UPDATE.

2. OBJECTIVES

The WATER SUPPLY MASTER PLAN UPDATE shall address the following objectives:

- 2.1 Provide continuous improvement towards achieving drinking water and recycled water quality goals.
- 2.2 Continue efforts to identify and implement water supply options to increase dry year water supply reliability.
- 2.3 Provide reliable and sustainable water supply to respond to long-term growth needs.
- 2.4 Coordinate with ongoing programs including SGMA, the Managed Aquifer Recharge (MAR) project, and supply of treated surface water to SJB.
- 2.5 Continue to address water supply needs through coordinated regional solutions.

3. GOVERNANCE COMMITTEE

The Governance Committee shall be an advisory committee convened to receive status reports and provide input to the WATER SUPPLY MASTER PLAN UPDATE. The Governance Committee shall consist of two (2) elected officials from each Party. The Governance Committee shall meet no less than quarterly to review the WATER SUPPLY MASTER PLAN UPDATE status. Regular, adjourned, and special meetings shall be called and held in the manner as provided in Chapter 9 of Division 2, Title 5 of Government Code of the State of California, "The Brown Act", commencing at Government Code Section 54950.

4. MANAGEMENT COMMITTEE

The Management Committee shall provide oversight of the MASTER PLAN UPDATE including technical review of work products and monitoring of schedule and budget. Each Party shall have one (1) agency staff representative on the Management Committee. The Management Committee shall establish the means for decision-making and resolution of any and all disputes.

5. ADMINISTRATION

SBCWD shall manage consultant contracts, manage day-to-day activities, schedule meetings, review and approve invoices, and take action on the WATER SUPPLY MASTER PLAN UPDATE. SBCWD shall prepare, maintain and preserve all reports and records that may be required by federal, State, and local rules and regulations relating to services performed under this MOU.

6. BUDGET AND FINANCING

As the lead agency responsible for water supply, SBCWD shall contract for the work and fund the cash flow for the WATER SUPPLY MASTER PLAN UPDATE. SBCWD shall incorporate the costs for the work into the imported water supply rates to be recovered over a 5-year period.

7. DATA, STUDIES AND RELATED INFORMATION

The Parties agree to provide pertinent data, previous studies, and related information for the completion of the WATER SUPPLY MASTER PLAN UPDATE. Specific data, previous studies and related information to be provided by the Parties shall be defined in requests submitted to the Parties by SBCWD.

8. SEPARATE AGREEMENTS

No Party herein is obligated by this MOU to implement final design, financing, or construction of facilities recommended in the WATER SUPPLY MASTER PLAN UPDATE. The intent of this MOU and associated financing is to cover the WATER SUPPLY MASTER PLAN UPDATE only.

Any facilities proposed to implement the WATER SUPPLY MASTER PLAN UPDATE shall be designed, financed and constructed pursuant to separate agreements. Design activities for specific projects are understood to include predesign, CEQA compliance, permitting, final design, and construction management services.

9. NOTICES

All notices relative to this MOU shall be given in writing and shall be personally served or sent by certified or registered mail and be effective upon actual personal service or depositing in the United States mail. The Parties shall be addressed as follows, or at any other address designated by notice.

CITY OF HOLLISTER

City Manager
375 Fifth Street
Hollister, CA 95023
Tel: 831-636-4370
Fax: 831-634-4372

CITY OF SAN JUAN BAUTISTA

City Manager
PO Box 1420
San Juan Bautista, CA 95045
Tel: 831-623-4661
Fax: 831- 623-4093

SAN BENITO COUNTY

County Administrative Officer
481 Fourth Street
Hollister, CA 95023
Tel: 831-636-4000
Fax: 831-636-4010

SBCWD

District Manager
30 Mansfield Road
Hollister, CA 95023
Tel: 831-637-8218
Fax: 831-637-7267

SSCWD

General Manager
3570 Airline Highway
Hollister, CA 95023
Tel: 831-637-4670
Fax: 831-637-1399

10. ENTIRE AGREEMENT

This MOU sets forth the Agreement among the Parties and may be modified only in writing, approved by the Parties.

11. INDEPENDENT CONTRACTORS

The MOU calls for the performance of the service of COH, SJB, COUNTY, SBCWD, and SSCWD as independent contractors. No party is an agent or employee of any other Party for any purpose and is not entitled to any of the benefits provided by any Party to its employees. This MOU shall not be construed as forming a partnership or any other association or agency among COH, SJB, COUNTY, SBCWD, and SSCWD other than that of independent contractors.

12. LIMITATION OF LIABILITY

No Party shall be liable to any other Party for any loss, damage, liability, claim or cause of action for damage to or destruction of property or for injury to, or death of persons arising solely from an act or omission of the other Party's officers, agents, or employees.

13. CLAIMS

A Party against who any claim arising from any subject matter of this MOU is filed shall give prompt written notice of the filing of the claim to all other Parties.

14. EFFECTIVE DATE

The MOU is effective upon duly authorized execution by all of the Parties. It is the product of negotiation and, therefore shall not be construed against any Party.

15. TERMINATION

Any Party to this MOU may terminate its participation in the activities herein described upon completion of the WATER SUPPLY MASTER PLAN UPDATE.

16. HEADINGS

Headings are for convenience only and shall not be used to interpret the terms of this MOU.

17. WAIVER

Any waiver of any term or condition hereof must be in writing. No such waiver shall be construed as a waiver of any other term or condition herein.

18. EXECUTION OF AGREEMENT

Any individual executing this MOU on behalf of an entity represents and warrants that they have the requisite authority to enter into this MOU on behalf of such entity and to bind the entity to the terms and conditions hereof.

19. COUNTERPARTS

This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same MOU.

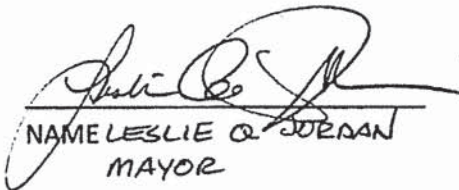
IN WITNESS HEREOF, the Parties hereto have caused this MOU to be effective upon execution by all parties

CITY OF HOLLISTER



NAME
CITY OF SAN JUAN BAUTISTA


8/16/21
Date



NAME **LESLIE Q. JORDAN**
MAYOR

08/20/2021
Date

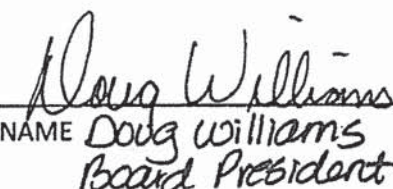
SAN BENITO COUNTY



NAME

9/17/21
Date **APPROVED AS TO LEGAL FORM**
SAN BENITO COUNTY COUNSEL
Shirley L. Murphy 9/2/21
DEPUTY COUNTY COUNSEL DATE

SAN BENITO COUNTY WATER DISTRICT



NAME **Doug Williams**
Board President

8/4/21
Date

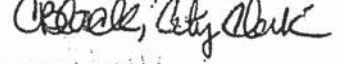
SUNNYSLOPE COUNTY WATER DISTRICT



NAME

08/30/21
Date

CITY OF HOLLISTER
DUPLICATE OF ORIGINAL
ON FILE IN THE
OFFICE OF THE CITY CLERK



RESOLUTION NO. 2021-162

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLLISTER
APPROVING THE HOLLISTER URBAN AREA WATER AND WASTEWATER
MASTER PLAN UPDATE MOU 2021**

WHEREAS, California Government Code Section 6502, authorizes public entities, including cities, counties, and special districts to enter into agreements for their mutual benefit; and

WHEREAS, the City of Hollister, the City of San Juan Bautista, San Benito County, San Benito County Water District, and Sunnyslope County Water District have compelling and mutual interest in developing and implementing the Water Supply Master Plan; and

WHEREAS, the City of Hollister along with the other parties want to ensure cooperation and mutual support for successful and cost-effective development and implementation of the Water Supply Master Plan and future water projects in San Benito County; and

WHEREAS, the Parties understand and agree, San Benito County Water District (SBCWD) will continue to be the lead agency responsible for providing water supply to meet urban demands into the future; and

WHEREAS, the Parties agree that nothing in the Hollister Urban Area Water Supply and Treatment Agreement or the Agreement for Water Treatment Operations and Maintenance shall be superseded or modified unless specifically agreed upon by the Parties to the respective agreement.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hollister approves the Hollister Urban Area Water and Wastewater Master Plan Update MOU 2021.

PASSED AND ADOPTED, by the City Council of the City of Hollister at a Regular Meeting held this 16th day of August, 2021, by the following vote:

AYES: Council Members Perez, Resendiz, and Burns.

NOES: None.

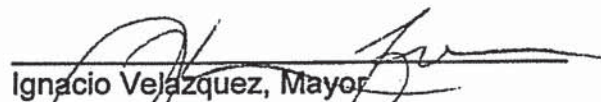
ABSTAINED: None.

ABSENT: Mayor Velazquez.

ATTEST:



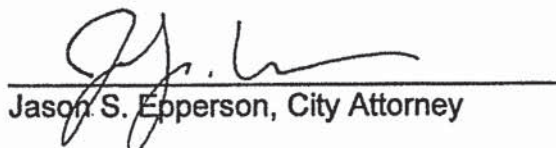
Christine Black, MMC, City Clerk



Ignacio Velazquez, Mayor

APPROVED AS TO FORM:

Epperson Law Group PC



Jason S. Epperson, City Attorney

I, CHRISTINE BLACK, MMC, City Clerk of the City of Hollister, do hereby certify that the attached Resolution No. 2021-162 is an original Resolution, or true and correct copy of a City Resolution, duly adopted by the Council of the City of Hollister at a Regular Meeting of said Council held on the 16th day of August, 2021, at which meeting a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Hollister this 16th day of August, 2021.



Christine Black, MMC
City Clerk of the City of Hollister

(Seal)

CITY OF HOLLISTER
DUPLICATE OF ORIGINAL
ON FILE IN THE
OFFICE OF THE CITY CLERK

