

MEMORANDUM OF UNDERSTANDING  
SAN JUAN BAUTISTA WATER SUPPLY PLAN

This MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into on February 24, 2021 by and between the SAN BENITO COUNTY WATER DISTRICT (SBCWD) and the CITY OF SAN JUAN BAUTISTA (CITY).

**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, on October 13, 2020, the City Council of San Juan Bautista adopted Resolution 2020-51, and pursuant to the City and Environmental Protection Agency ("EPA") Administrative Order on Consent, (executed August 8<sup>th</sup>, 2020), approved the selection of two compliance projects to bring its water and waste water systems into compliance with the EPA's National Pollution Discharge Elimination System permit, and the Source Water Compliance project selected is the off-site source control importing water from the West Hills Treatment Plant owned and operated by the SBCWD ("San Juan Bautista Water Supply Plan"); and

WHEREAS, SBCWD and the CITY have a compelling and mutual interest in developing and implementing the San Juan Bautista Water Supply Plan (WSP); and

WHEREAS, SBCWD and the CITY want to ensure cooperation and mutual support for successful and cost-effective development and implementation of the WSP; and

WHEREAS, the CITY and SBCWD wish to identify agreed-upon objectives for the development of the WSP and determining the feasibility thereof; and

WHEREAS, the delivery of treated San Felipe water will provide the CITY with a much-needed upgrade to remedy water quality deficiencies, and delivery of San Felipe water to CITY facilities and system use; and

WHEREAS, "San Felipe Water" refers to water imported from the Central Valley Project pursuant to a water service contract between the SBCWD and the United States Bureau of Reclamation under the authority of the Central Valley Project Improvement Act, and such additional surface water as the SBCWD may develop or secure to serve the purposes of Zone 6, (described in the attached Map) for the

purposes of supplementing groundwater supplies in Zone 6 of the SBCWD and to provide a source of high quality surface water to agricultural, municipal and industrial customers in Zone 6; and

WHEREAS, upgrading the CITY's water supply will allow the CITY to meet the more stringent of applicable federal, state, local regulations and industry standards; and

WHEREAS, the CITY and SBCWD wish to cooperate to ensure an adequate delivery of San Felipe water to CITY residents and provide the benefits of improved water quality directly to CITY consumers.

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED by SBCWD and the CITY, as follows:

1. GENERAL

The foregoing recitals are true and current, and incorporated herein.

2. SAN JUAN BAUTISTA WATER SUPPLY PLAN (WSP)

The parties intend to undertake the development of a comprehensive Water Supply Plan for importing drinking water from the West Hills Treatment Plant.

The comprehensive WSP for the CITY shall identify specific alternatives to achieve the agreed upon objectives at the lowest practical lifecycle cost and earliest practical time. The WSP shall include a feasibility phase(s) and an implementation plan phase(s) resulting in specific size, location and performance for physical facilities, project specific CEQA compliance, a financing plan including required revenues from water charges, assessments and connection/impact fees, funding mechanism (cash, bonds, etc.), and institution arrangements and responsibilities (ownership, operations, maintenance, repair and replacement responsibility, etc.)

2.1. The WSP shall be based on the following principles:

2.1.1. Urban water supply including as appropriate blending of treated surface water and groundwater, to provide urban water users with uniform water quality, shall minimize the need for water softeners, assure reliability of the urban water supply and support reuse of urban wastewater for ground water replenishment, agricultural irrigation and other non-potable but healthy purposes. The urban water supply may include provision(s) for drinking water service to areas in and adjacent to the San Juan Bautista Urban Area, found to be consistent with its General Plan, (and related

Sphere of Influence, Urban Growth Boundary and such policies), and where Health and Safety issues exist.

2.1.2. Surface water and groundwater supplies shall be managed to sustain the area water supply and manage groundwater levels to avoid negative impacts on overlying land uses.

2.1.3. The standards for the quality of potable (drinking) water delivered to urban users shall be developed and agreed to by the CITY and the SBCWD and shall include appropriate consideration of regional issues while focusing on economic and health impacts. These standards shall be the most stringent of reasonable local standards, state or federal regulations and shall include careful consideration of anticipated future regulation.

2.1.4. The impacts of water supply and treatment and wastewater treatment and disposal (including reclamation) on the culture, economy and environment of the CITY shall be carefully evaluated and negative impacts minimized. The impacts considered shall be consistent with the City's General Plan, and include, but not be limited to, impacts on air quality, surface water and groundwater quality and quantity, rates and charges including connection and impact fees, property values, industry and business preservation of agriculture and agricultural land and aesthetics.

2.1.5. Any action proposed by the WSP shall consider water and wastewater management to protect and sustain the local surface and groundwater supplies of San Benito County.

2.2. The Parties further agree that the WSP shall be based on the following objectives and assumptions:

2.2.1. For the planning period mutually defined in the WSP, the urban water supply (surface and groundwater) and water system for the San Juan Bautista Urban Area shall be capable of meeting 100% of the demands, including fire suppression, during wet, above normal, normal and dry years and in the first year of a critically dry period. That supply shall be consistent with meeting 100% of the SBCWD Zone 3 and Zone 6 (defined in the attached map) demands under the same conditions. During the second and subsequent years of multi-year droughts/water shortages, the water supplies (surface and groundwater) shall be capable of meeting 85% of the Municipal and Industrial demands and 75% of the agricultural demands of all Zone 3 and Zone 6 water users.

2.2.2. Drinking water shall have a TDS concentration of not greater than 700 mg/L, Chloride concentrations averaging 80 mg/L and no greater than 90 mg/L, and a hardness of not greater than 150 mg/l (Calcium Carbonate).

These concentrations will at no time exceed those limits placed upon the City by the Drinking Water Permit used by the State of California.

2.2.3. Within the San Juan Bautista Urban Area, all wastewater shall be treated at the City of Hollister Regional wastewater treatment plant. San Juan Bautista General Plans and supporting public service plans and implementing Ordinances/Regulations shall be consistent with that requirement.

2.2.4. Within the San Juan Bautista Urban Area reliable and sustainable water supply shall be provided and maintained. The water supply and quality goals of the North San Benito Basin GSP (Groundwater Sustainability Program) for the San Benito County Portion of the Gilroy Hollister Groundwater Basin shall be used as the basis for all water and wastewater planning. Water Supply, treatment, transmission, storage (fire suppression, emergency and operational), and distribution facilities shall meet water industry and regulatory standards for service and reliability. The WSP shall include an evaluation of the current systems service and reliability levels, consistent with its Water Master Plan and Waste Water Master Plan adopted in November, 2020, and only consider delivery of treated drinking water up to the CITY's service area.

2.2.5. Urban water supply including the treatment of surface and management of groundwater for wholesale delivery shall be the responsibility of the SBCWD. Continued, managed use of groundwater is necessary to manage the available water supply for all DISTRICT Urban Customers.

2.2.6. Centralized wastewater treatment at the City of Hollister Regional wastewater treatment plant to meet the minimum State limits for domestic wastewater treatment. Specialized treatment as required to produce reclaimed water for agricultural purposes and disposal by means other than reclamation shall not be the responsibility of the CITY.

### 3. BUDGET AND FINANCIAL COMMITMENT

By execution of this MOU, each party agrees to an initial budget for the WSP as outlined below. The initial budget of \$180,000 is intended to cover the estimated costs for the Feasibility Phase of the Program. Additionally, the DISTRICT and the CITY agree that the DISTRICT will front the cost of the feasibility phase. Should the CITY decide to move forward to implementation, the cost of the feasibility phase shall be rolled into the final project cost. Should the CITY COUNCIL decide not to move forward to implementation, CITY shall reimburse DISTRICT for all monies expended on the WSP within in one-hundred and eighty (180) days of that decision, and all obligations of the DISTRICT to provide a surface water solution to the CITY will have been satisfied.

4. PAYMENT

Each Party shall bear its' own policy (elected official), technical and management staff costs.

5. DATA, STUDIES AND RELATED INFORMATION

The Parties agree to all provide pertinent data, previous studies, and related information for the completion of the WSP. Specific data, previous studies and related information to be provided by the Parties is detailed in the WORK PLAN.

6. SEPARATE AGREEMENTS

No Party herein is obligated by this MOU to implement final design, financing, or construction of the WSP facilities. Any facilities proposed to implement the WSP shall be designed, financed, and constructed pursuant to separate agreements. Ownership and Operation, Maintenance, Repair and Replacement (OMR&R) responsibilities shall be subject to a separate agreement to be executed before any construction contract is awarded.

7. 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:

SBCWD  
District Manager  
30 Mansfield Road  
Hollister, CA 95023  
Tel: 831.637.8218  
Fax: 831.637.7267

CITY  
City Manager  
311 Second Street  
PO Box 1420  
San Juan Bautista, CA 95045  
Tel: 831.623.4661  
Fax: 831.623.4093

8. ENTIRE AGREEMENT

This MOU sets forth the entire Agreement among the Parties and supersedes all other oral or written representations. This MOU may be modified only in writing, approved by the Parties.

9. INDEPENDENT CONTRACTORS



This MOU calls for the performance of the service of SBCWD and the CITY 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 SBCWD and the CITY other than of independent contractors.

10. 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 any act or omission of the other Party's officers, agents, or employees.

11. CLAIMS

A Party against whom 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.

12. EFFECTIVE DATE

This 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.

13. TERMINATION


Any Party to this MOU may terminate its participation in the activities herein described upon:

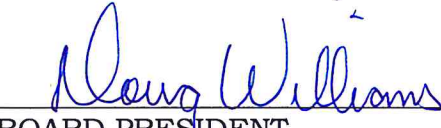
- 1. Completion of the feasibility phase, or
- 2. Upon 90 days written notification to the other Party

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be executed, the day and year first-above written.

CITY OF SAN JUAN BAUTISTA

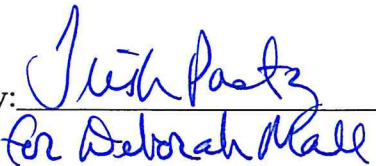
SAN BENITO COUNTY WATER DISTRICT

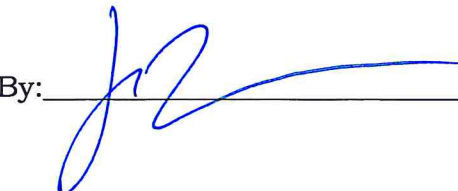
  
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 MAYOR

  
 \_\_\_\_\_  
 BOARD PRESIDENT

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY

APPROVED AS TO FORM:  
DISTRICT COUNSEL

By:   
 \_\_\_\_\_  
 for Deborah Mall

By:   
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