

LOCAL AGENCY FORMATION COMMISSION
SAN BENITO COUNTY

2301 Technology Parkway
Hollister, CA 95023
Phone: (831) 637-5313

July 23, 2015 (Agenda)

Local Agency Formation Commission
2301 Technology Parkway
Hollister CA 95023

**Dissolution of the Pacheco Pass Water District (LAFCO 491)
Continued Public Hearing**

Dear Members of the Commission:

RECOMMENDATION

It is recommended the Commission receive any public testimony and continue the hearing on this proposed dissolution to the October 22 Commission meeting, or prior to that date if the affected agencies wish the matter to be heard earlier.

DISCUSSION

Background

The Pacheco Pass Water District is a public agency situated in both San Benito and Santa Clara Counties. In Santa Clara County it owns Pacheco Dam, located on the North Fork of Pacheco Creek, where it stores local runoff for release to recharge groundwater in downstream areas. In San Benito County it owns a smaller facility, Las Viboras Dam and Reservoir.

When we were performing a Municipal Service Review of the District, County Elections staff informed us the District had no current board members. On October 23, 2014, after receiving a staff report and conducting a public hearing, the Commission initiated proceedings to dissolve this District.

Since that time your staff has met with staffs of water districts that may be affected by the dissolution and staffs of other public agencies including the San Benito Public Works Department and the Santa Clara LAFCO.

At the Commission meeting on January 22, 2015, staff presented a status report and recommended the public hearing on the dissolution be continued to May 28.

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At the Commission meeting on May 28 testimony was provided by San Benito County Water District Manager Jeff Cattaneo and Board Member Robert Huenemann. At that time the Commission continued consideration of this proposal until this meeting.

On May 29, the day following the last LAFCO meeting, a field trip to view the dam and reservoir was attended by:

- Jeff Cattaneo, District Manager, San Benito County Water District
- Sara Singleton, Assistant General Manager, San Benito County Water District
- Garth Hall, Deputy Operating Officer, Santa Clara Valley Water District
- Hemang Desai, Engineering Unit Manager, Santa Clara Valley Water District
- James Nelson, Senior Engineering Geologist, Santa Clara Valley Water District
- Janet Norris, San Benito County Auditor Office
- LAFCO Commissioner Richard Bettencourt
- LAFCO Executive Officer Bob Braitman and Commission Clerk Mary Everett

Current Status of Proposed Dissolution

When the Commission chose to initiate the dissolution of the District, executives of both the Santa Clara Valley Water District and San Benito County Water District advised they have embarked upon a joint due diligence study of the assets and liabilities of the District. They noted this study will take a number of months to complete before they are ready to negotiate or accept being designated as the successor agency or successor agencies.

Your staff has requested District Managers Jeff Cattaneo, of the San Benito County Water District and Beau Goldie of the Santa Clara Valley Water District to attend the Commission meeting on July 23, or have their representatives attend, to report on the status of studying the possible dissolution.

Please contact the LAFCO office should you have any questions.

Very truly yours,



BOB BRAITMAN
Executive Officer

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cc: Jeff Cattaneo, District Manager/Engineer, San Benito County Water District
Beau Goldie, Chief Executive Officer, Santa Clara Valley Water District
Garth Hall, Deputy Operating Officer, Santa Clara Valley Water District
Joseph Horwedel, Director, San Benito County Public Works Department
Neelima Palacherla, Executive Officer, Santa Clara LAFCO
Pacheco Pass Water District c/o Secretary Ann Strickland