

Pajaro Valley must decide on importing water

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WATSONVILLE — It may take eight years for the water to arrive, but by Oct. 14 the Board of Directors of the Pajaro Valley Water Management Agency is scheduled to decide whether to begin negotiations to import water.

Meeting Tuesday afternoon with representatives of the U.S. Bureau of Reclamation, the Pajaro Valley water board heard estimates of costs, time and potential litigation involved in its decision.

"We want to get this project going," said Phil Sharp, chief of divisional operations for the federal Bureau of Reclamation, which is in charge of the San Felipe Project. "You're in an enviable position because there are not many places in the state of California where there are 19,900 acre feet of water available to be picked up."

Through legislation approved by voters in 1984, the Pajaro Valley water agency was established to determine if the area needs to import water from the San Luis Reservoir at the top of Pacheco Pass via a system

of pumps and pipes known as the San Felipe Project.

For many years, groundwater studies have indicated that much more water is being pumped out of the ground than is being replenished, creating an "overdraft." However, the latest study from the Woodland firm of Luhdorff and Scalmanini shows that the Pajaro Valley has enough water to meet its current needs.

The water board has to decide next month if it will submit a "letter of intent" to the bureau to get the ball rolling on further negotiations. If the water board doesn't submit the letter, the bureau will find another customer.

A public hearing on the matter is scheduled for 7 p.m. Oct. 14 at Watsonville City Hall.

Several issues must be resolved, the water board was told Tuesday. One of the federal bureau's major concerns is whether municipal and industrial water consumers will share the water costs with farmers, according to John Budd, the bureau's contract negotiator.

The difference in costs is phenomenal. Current agricultural rates are half of what other users pay because of special breaks given farmers, Sharp said.

Budd said he will ask the bureau's decision-makers in Washington, D.C. to assess the entire 19,900 acre-feet of water at agricultural rates, adding: "We think they'll say no."

If that happens, Budd said it would behoove the Water Board to seek an amendment to the legislation allowing industrial and municipal water users to take some of the water. Otherwise, farmers will pay the entire bill.

Sharp estimated the water will cost anywhere from \$56.08 an acre foot of water to \$108.34 an acre foot for agricultural users. For industry and city users, the costs are estimated at \$105.13 to \$273.99 an acre foot.

An acre foot is the amount of water it takes to flood one acre of land to a depth of one foot.

In both cases, the lower figure represents the cost of pumping water from Pacheco Pass directly into the Pajaro River. The higher estimate is based on the most expensive plan being considered: running a pipeline from the Pacheco Pass pumps to the Pajaro Valley.

Neither estimate includes other hidden expenses, such as the amount the Pajaro Valley water agency will have to repay Santa Clara and San Benito water users

for their share of the operation and maintenance costs. Both counties are importing water via the San Felipe Project, and they expect to be reimbursed for operational costs once the Pajaro Valley system is operating, said George Thomas, manager of the San Benito County Water Conservation and Flood Control District.

Sharp said the bureau hopes to offer the Pajaro Valley water agency an interest rate of 5.1 percent over 40 years. However, the decision on the interest rate rests in Washington, and with the federal deficit being what it is, Sharp said he couldn't guarantee it. If the interest rate is 10 percent, then cost estimates would double, he said.

If the Water Board sends a letter of intent, then the bureau and board can begin talking about a "basis of negotiation" and "feasibility study," which would take about two years to complete and cost the agency approximately \$250,000. The bureau would pay another \$250,000 for the first phase.

It would take another two years and \$800,000 to design and plan a project and four more years to construct it, Sharp estimated.