

**BOARD OF DIRECTORS  
SAN BENITO COUNTY WATER DISTRICT**

**Agenda for**

**September 10, 2024**

**Special Meeting – 5:00 p.m.**

**30 Mansfield Road, Hollister, CA 95023**

*Speakers will be limited to 5 minutes to address the Board*

**Assistance for those with disabilities:**

If you have a disability and need accommodation to participate in the meeting, please call Barbara Mauro, Board Clerk, at (831) 637-8218, 48 hours prior to meeting for assistance so the necessary arrangements can be made.

Effective at the April 27, 2022, The Board of Directors is now allowing the public to attend in person at all meetings of the San Benito County Water District Board. We will also continue to offer the meeting via Zoom as well. Regarding virtual participation, members of the public are instructed to be on mute during the proceedings and to speak only when public comment is allowed, after requesting and receiving recognition from the Board President.

**ZOOM LINK**

<https://us06web.zoom.us/j/89759751860?pwd=K5DZuxYeRa32vYVNbpJvsIXor0oi71.1>

**Meeting ID**

897 5975 1860

**Passcode:**

202344

**Dial Only:**

Dial by your location

- +1 669 444 9171 US
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 719 359 4580 US
- +1 720 707 2699 US (Denver)
- +1 309 205 3325 US

If you plan to participate in the meeting and need assistance, please call Barbara Mauro, Board Clerk, at (831) 637-8218, 48 hours prior to meeting.

**CALL TO ORDER**

- a. Pledge of Allegiance to the Flag
- b. Roll Call
- c. Speakers will be limited to 5 minutes to address the Board
- d. Approval of the Agenda

## **AGENDA ITEMS:**

1. 2024-2025 District Budget
  - a. Presentation of 2024-2025 District Budget
  - b. Consider Board Approval of 2024-2025 District Budget
2. Consider Amending Resolution 2023-14 Regarding the District Policy on Restriction and Designation of District Net Assets/Cash
3. Consider Resolution Affirming that in the absence of the General Manager, the Manager of Administration, Finance and Business Services has the same Powers/Duties/Authority as the General Manager in regard to District
4. General Manager Report--Miscellaneous District Items

## **ADJOURNMENT**

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 30 Mansfield Road, Hollister, California.
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**BOARD OF DIRECTORS  
SAN BENITO COUNTY WATER DISTRICT**



Agenda

Item

# 1

BOARD AGENDA MEMO

DATE: September 3, 2024  
TO: Board of Directors  
FROM: Finance Committee  
(Shelton/Tonascia)  
SUBJECT: District Budget for 2024-2025

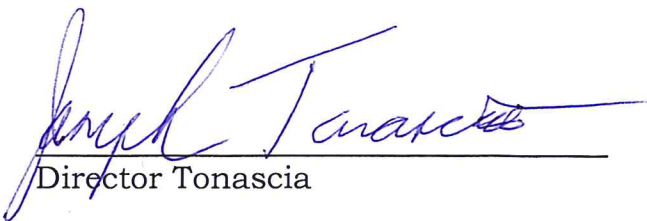
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The Finance Committee has overseen and participated in the development of the Recommended FY 2024-2025 District Budget and recommends it for approval by the Board of Directors.



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Director Shelton

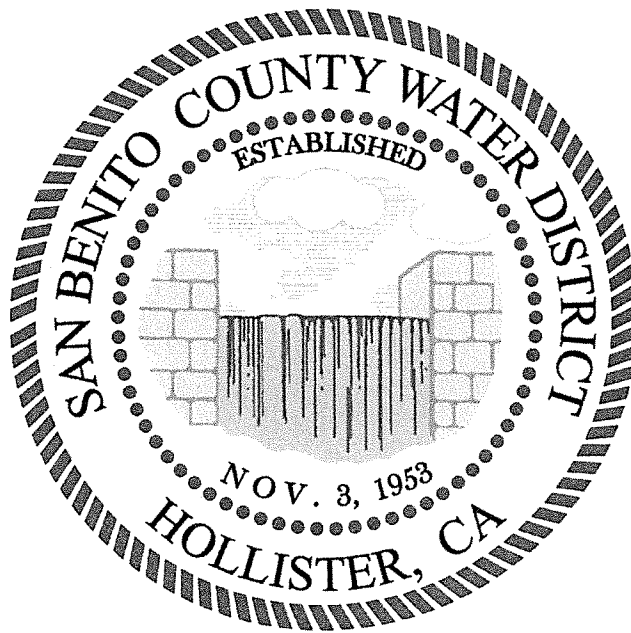


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Director Tonascia

**SAN BENITO COUNTY  
WATER DISTRICT  
RECOMMENDED BUDGET**

**For Fiscal Year 2024-2025**



**PRESENTATION TO BOARD OF DIRECTORS  
September 10, 2024**

# **INDEX**

1. Profit & Loss (PL) Schedule
  2. Operating & Non-Operating Revenue
  3. Cost of Water
  4. Wages & Employee Related Expenses
    - A. *Position Control List*
  5. Contract Services
    - A. *Contract Services Operations*
    - B. *Contract Services Program Consulting*
  6. Materials & Equipment
  7. General & Administrative
    - A. *Utilities*
  8. Capital Projects
  9. Property, Plant & Equipment and Water Rights
  10. Designations and Reserves
    - A. *Net Operating income after Transfers and Contributions*
    - B. *Summary of Designation and Restricted Reserve Activity*
    - C. *Capital Budget and Source of Funding*
    - D. *Cash and Investment Position Summary*
- General Information**
- A. *Multi-Agency Projects*
  - B. *Multi-Year Projects*

## **SECTION 1**

# **PROFIT & LOSS SCHEDULE**

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

9/4/2024

Budget 2024-2025

	Zone 1	Zone 3	Zone 6	GSA	Total	2023-2024 Budget	YTD Actual
<b>Operating revenue:</b>							
Water Sales	\$0	\$10,000	\$4,537,900	\$0	\$4,547,900	\$5,328,700	\$4,493,456
Water Service	19,350	0	256,750	510,400	786,500	912,700	572,143
Finished Water	0	0	8,575,350	0	8,575,350	7,647,350	8,910,291
Other Operating	0	0	0	0	0	0	958
Operating revenue	19,350	10,000	13,370,000	510,400	13,909,750	13,888,750	13,976,848
<b>Operating expenses:</b>							
Cost of water	0	0	4,110,200	0	4,110,200	2,774,250	2,341,006
Wages and employee related expenses	190,133	162,350	2,987,642	173,253	3,513,378	3,318,280	2,690,943
Contract services	50,900	256,550	5,002,000	145,450	5,454,900	5,942,900	5,626,331
Material and equipment	4,550	28,650	648,650	150	682,000	547,100	481,841
General and administrative	67,900	65,050	388,150	2,050	523,150	450,750	488,795
Utility expenses	3,000	1,900	706,150	0	711,050	673,650	663,428
Depreciation & Amortization	7,000	46,600	3,742,650	0	3,796,250	3,792,600	3,757,321
Total operating expenses	323,483	561,100	17,585,442	320,903	18,790,928	17,499,530	16,049,665
Operating income (loss)	(304,133)	(551,100)	(4,215,442)	189,497	(4,881,178)	(3,610,780)	(2,072,817)
<b>Nonoperating revenue (expenses):</b>							
Interest and investment revenues	78,550	187,350	1,426,500	156,300	1,848,700	1,181,400	2,446,160
Investment gain or loss	0	0	0	0	0	0	399,295
Taxes and assessments	352,000	716,700	11,818,200	0	12,886,900	12,103,800	12,597,405
Other nonoperating revenues	0	0	209,000	0	209,000	197,900	196,440
Grant revenue	0	0	8,800,000	0	8,800,000	0	309,042
Interest expense	(3,050)	(3,650)	(144,700)	(9,100)	(160,500)	(178,700)	(178,675)
Other nonoperating expenses	0	0	0	0	0	0	29,343
Net nonoperating revenue (expenses)	427,500	900,400	22,109,000	147,200	23,584,100	13,304,400	15,799,010
Change in net assets	123,367	349,300	17,893,558	336,697	18,702,922	9,693,620	13,726,193
<b>Capital related revenue/ (expenses):</b>							
Capacity rights interest	0	0	784,400	0	784,400	840,600	832,144
Capacity rights revenue	0	0	1,239,250	0	1,239,250	1,183,100	1,191,540
Grant related expenses	0	0	(17,600,000)	0	(17,600,000)	0	0
Total Capital related revenue/(expenses)	0	0	(15,576,350)	0	(15,576,350)	2,023,700	2,023,684
<b>End of year</b>	123,367	349,300	2,317,208	336,697	3,126,572	11,717,320	15,749,877



**SECTION 2**

**OPERATING &  
NON-OPERATING REVENUE**

## OPERATING REVENUE

### Zone 1

- Well permit fees – based on slight increase from FY 23-24

### Zone 3

- Transfers and exchanges

### Zone 6 – Blue Valve

- Ag sales – assumed 11,093 AF
- M&I sales – assumed 5,078 AF
- Groundwater sales
- Power charge for water sales by subsystem

### Finished Water (Treatment Plants)

- West Hills – assumed 2,894 AF
- Lessalt – assumed 1,556 AF

### Recycled Water

- Estimated delivery of 400 AF
- 8 parcels at minimum charge of \$700

## NON-OPERATING REVENUE

### Interest

- LAIF interest rate at 2.5%

### Taxes and Assessments

- Assumed FY 24 collected (as of May), with a 5% increase

### Other Non-operating Revenue

- WRA reimbursement for operating activities

### Capital Related Revenue

- Principal and interest repayment per the HUA WTA

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

Budget 2024-2025

	Zone 1	Zone 3	Zone 6	GSA	Total	2023-2024 Budget	YTD Actual
<b>Operating Revenue</b>							
Groundwater Charge	\$0	\$0	\$241,150	\$0	\$241,150	\$356,950	\$44,756
San Felipe	0	0	3,858,350	0	3,858,350	4,266,600	3,865,034
Power Charge	0	0	546,350	0	546,350	872,200	481,936
Transfers and Exchanges	0	10,000	0	0	10,000	10,000	4,217
Well Permit Fees	19,350	0	0	0	19,350	40,350	14,632
Groundwater Mgmt Fee	0	0	0	510,400	510,400	500,500	490,889
Finished Water	0	0	8,575,350	0	8,575,350	7,647,350	8,910,291
Recycled Water	0	0	121,200	0	121,200	174,900	122,874
Other	0	0	27,600	0	27,600	19,900	34,902
<b>Total Operating Revenue</b>	<b>19,350</b>	<b>10,000</b>	<b>13,370,000</b>	<b>510,400</b>	<b>13,909,750</b>	<b>13,888,750</b>	<b>13,969,531</b>
<b>Non-operating Revenue</b>							
Interest and investment revenue	78,550	187,350	1,426,500	156,300	1,848,700	1,181,400	2,422,405
Taxes and Assessments:							
General Purpose Tax	248,400	716,700	1,002,900	0	1,968,000	1,909,700	1,875,613
Zone Administration Tax	103,600	0	0	0	103,600	100,100	98,775
Land Only Tax	0	0	10,671,300	0	10,671,300	9,950,000	10,163,136
Standby and Availability	0	0	144,000	0	144,000	144,000	142,913
Other non-operating revenues:							
Other non-operating Revenues	0	0	209,000	0	209,000	197,900	196,440
Grants	0	0	8,800,000	0	8,800,000	0	309,042
<b>Total non-operating revenue</b>	<b>430,550</b>	<b>904,050</b>	<b>22,253,700</b>	<b>156,300</b>	<b>23,744,600</b>	<b>13,483,100</b>	<b>15,208,324</b>
<b>Capital related revenue/ (expenses):</b>							
Capacity rights interest	0	0	784,400	0	784,400	840,600	832,144
Capacity rights revenue	0	0	1,239,250	0	1,239,250	1,183,100	1,191,540
<b>Total capital related revenue/(expenses)</b>	<b>0</b>	<b>0</b>	<b>2,023,650</b>	<b>0</b>	<b>2,023,650</b>	<b>2,023,700</b>	<b>2,023,684</b>
<b>Total Revenue</b>	<b>\$449,900</b>	<b>\$914,050</b>	<b>\$37,647,350</b>	<b>\$666,700</b>	<b>\$39,678,000</b>	<b>\$29,395,550</b>	<b>\$31,201,539</b>

**SECTION 3**  
**COST OF WATER**

## COST OF WATER

- Agricultural water – 17,775 AF
- Municipal and Industrial water – 6,188 AF
- Additional water purchases – 2,700 AF
- Associated delivery costs for San Luis Delta Mendota, Reach 1 and USBR
- USBR Amendatory Contract - repayment interest

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

	Budget 2024-2025				Total	2023-2024 Budget	YTD Actual
	Zone 1	Zone 3	Zone 6	GSA			
<b>Cost Of Water:</b>							
USBR Contract Ag	\$0	\$0	\$393,700	\$0	\$393,700	\$428,750	\$446,067
USBR Contract M&I	0	0	154,950	0	154,950	210,550	251,059
USBR Rescheduled	0	0	0	0	0	10,800	0
CVP Facility O&M	0	0	626,600	0	626,600	285,500	226,163
San Felipe Reach 1	0	0	452,400	0	452,400	500,250	252,625
San Felipe Unit O&M	0	0	2,000	0	2,000	2,000	(261)
Direct Power & other power	0	0	532,450	0	532,450	726,800	686,033
Restoration Charges	0	0	391,900	0	391,900	353,250	302,797
USBR Repayment Interest	0	0	10,450	0	10,450	70,050	70,042
USBR In Basin Capital Interest	0	0	48,250	0	48,250	51,750	51,773
Transfer, Exchanges & Other	0	0	1,497,500	0	1,497,500	134,550	54,709
<b>Total Cost of Water</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,110,200</b>	<b>\$0</b>	<b>\$4,110,200</b>	<b>\$2,774,250</b>	<b>\$2,341,007</b>

## **SECTION 4**

# **WAGES & EMPLOYEE RELATED EXPENSES**

*A. Position Control List*

## WAGES AND EMPLOYEE RELATED

- Wages include salaries and additional benefit (cafeteria plan benefit) and Retiree Service Benefit – assumed 7% salary increase (3% COLA and 4% salary schedule step advancement)
- Position Control List is attached
- Retirement includes the required employer PERS contribution and any UAL (unfunded accrued liability)
- Employee insurance includes any District-provided Medical, Dental and Vision insurance for Directors and employees. Life insurance and Employee Assistance Plan costs are included as well as District's portion of PERS medical (PEMHCA) contribution for those employees using PERS medical.



San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

	Budget 2024-2025					2023-2024 Budget	YTD Actual
	Zone 1	Zone 3	Zone 6	GSA	Total		
<b>Wages and Employee Related Expenses</b>							
Wages	\$161,407	\$138,761	\$2,546,965	\$157,285	\$3,004,418	\$2,820,170	\$2,259,368
Retirement	6,661	8,436	170,280	10,088	195,465	195,465	168,039
Medicare/SUI	5,030	3,733	71,150	2,989	82,902	82,902	44,228
Worker's Compensation	1,416	1,423	27,877	1,284	32,000	32,000	25,938
Employee Insurance	10,479	6,134	108,895	1,607	127,115	127,115	113,549
Training	2,000	1,300	21,700	0	25,000	15,000	4,639
Physical Exams and Drug Testing	200	100	1,500	0	1,800	2,350	1,109
Personal Equipment and Uniforms	50	600	10,950	0	11,600	10,200	9,046
Other	2,890	1,863	28,325	0	33,078	33,078	65,027
<b>Total Wages and Employee Related Expenses</b>	<b>190,133</b>	<b>162,350</b>	<b>2,987,642</b>	<b>173,253</b>	<b>3,513,378</b>	<b>3,318,280</b>	<b>2,690,943</b>

San Benito County Water District  
FY Budget 2024-2025  
Preliminary Budget  
Position Control List

Dept.	Position	Budget FY 2020-2021	Budget FY 2021-2022	Budget FY 2022-2023	Budget FY 2023-2024	Budget FY 2024-2025
Adm/EMG	General Manager/Engineer (formerly AGM)	1	1	1	1	1
Adm/EMG	Assistant Manager	1	1	0	0	0
Adm/EMG	Manager, Admin, Finance, Business Services			1	1	1
Adm/EMG	Assistant General Manager (AGM)			1	0	0
Adm/MCP	Supervising Accountant	1	0	0	1	1
Adm/SEIU	Office Specialist I / II / III	2	2	2	1	1
Adm/SEIU	Accounting Technician (formerly OS)	0	0	0	1	1
Adm/SEIU	Office Specialist III / Board Clerk	1	1	1	1	1
Adm/MCP	Accountant (formerly OS)	0	0	0	1	1
Adm/MCP	Human Resources/Administrative Analyst	0.6	0.6	1	1	1
Adm/MCP	Finance Manager		1	1	0	0
Adm/MCP	Information/Controls System Supervisor	0	0	0	0	0
	<b>Admin/Fin Total</b>	<b>6.6</b>	<b>6.6</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>
Eng/EMG	District Engineer					
Eng/MCP	Deputy District Engineer	1	1	1	1	1
Eng/MCP	Assistant/Associate/Senior Engineer	1	1	1	1	1
Eng/SEIU	Engineer/Technician	0	0	0	0	0
Eng/SEIU	Water Resources Technician I / II	1	1	1	1	1
Eng/SEIU	Electrical/Electronic Technician	1	1	1	1	1
	<b>Eng Total</b>	<b>4.0</b>	<b>4.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
O&M/MCP	Operation/Maintenance Manager	1	1	1	1	1
O&M/SEIU	Operations & Maintenance Supervisor (OMS to WDM)	1	1	1	0	0
O&M/SEIU	Maintenance & Water Distribution Maintenance I / II / III	4.50	4.50	4.50	5.50	5.50
	<b>O&amp;M Total</b>	<b>6.5</b>	<b>6.5</b>	<b>6.5</b>	<b>6.50</b>	<b>6.50</b>
WO/SEIU	Water Programmer III	1	1	1	1	1
WO/SEIU	Customer Account Specialist I / II / III	1	1	1	1	1
	<b>WO Total</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
WC/MCP	WRA - Water Conservation Program Manager	1	1	1	1	1
WC/SEIU	WRA - Water Service/Conservation Representative I / II	0.50	0.50	0.50	0.50	0.50
	<b>WO Total</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
	<b>Total Staffing</b>	<b>20.60</b>	<b>20.60</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>
	<b>Total Staffing w/o WRA</b>	<b>19.10</b>	<b>19.10</b>	<b>21.50</b>	<b>21.50</b>	<b>21.50</b>

## **SECTION 5**

# **CONTRACT SERVICES**

- A. Contract Services Operations*
- B. Contract Services Program Consulting*

# CONTRACT SERVICES

## Legal

- General services
- Water rights
- District Act

## Engineering

- General services
- Canal improvements

## Accounting

- Annual audit
- Actuarial studies

## General Consulting

- Annual Groundwater report
- Employee recruitment services
- Rates / impact fee
- Asset Management support
- Water budgeting / cost of water model

## Computer

- Computer and network support services
- Computer software maintenance and support renewals
- TruePoint and Dynamics support services
- NexGen license renewal
- Cybersecurity enhancements
- Microsoft Office subscription services

## Maintenance

- San Justo maintenance
- District office general maintenance
- Hernandez/Paicines maintenance
- Contingent expense - major breaks (Contractor with equipment)
- Welding services
- Recycled water (WWTP) repairs and maintenance

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

	Budget 2024-2025				2023-2024 Budget	YTD Actual
	Zone 1	Zone 3	Zone 6	GSA		
<b>Contract Services</b>						
Legal	\$8,300	\$4,150	\$200,550	\$0	\$135,000	\$73,494
Engineering	0	138,000	12,000	0	85,000	13,637
Accounting	4,700	2,350	49,950	0	49,000	37,900
General Consulting	12,200	5,600	148,900	100,000	314,500	120,584
Computer	19,900	11,950	297,300	0	320,250	226,718
Operations	900	22,550	317,850	45,450	382,850	250,754
Operations- Treatment Plants	0	0	3,499,300	0	3,494,300	3,969,308
Maintenance	3,100	71,050	359,450	0	1,037,000	882,154
Other	1,800	900	16,300	0	19,000	2,275
Program Consulting	0	0	100,400	0	106,000	49,506
<b>Total Contract Services</b>	<b>\$50,900</b>	<b>\$256,550</b>	<b>\$5,002,000</b>	<b>\$145,450</b>	<b>\$5,942,900</b>	<b>\$5,626,330</b>

## CONTRACT SERVICES - OPERATIONS

- Stream Flow measurement (USGS Contract)
- Water quality testing
  - Surface water
  - Groundwater
  - Recycled water
- WRA program fees
  - Water Conservation
  - Salt Reduction
- District Operations
  - GPS tracking
  - Security monitoring
  - Document shredding

## CONTRACT SERVICES – OPERATIONS – TREATMENT PLANTS

- Lessalt and West Hills

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

	Budget 2024-2025				2023-2024 Budget	YTD Actual
	Zone 1	Zone 3	Zone 6	GSA		
<b>Contract Services-Operations</b>						
Source of Supply	\$0	\$1,800	\$0	\$30,000	\$20,000	\$16,216
Transmission and Distribution	0	0	31,300	0	23,000	22,720
General and Administrative	900	450	7,550	0	8,900	7,233
Water Quality-Grdwtr and Surface Water	0	2,650	23,850	15,450	41,950	16,050
Water Conservation-WRA	0	0	155,800	0	162,300	81,158
Salt Management Plan- WRA	0	0	6,500	0	11,200	5,610
Stream Flow Measurement	0	17,650	79,100	0	96,500	96,638
Water Treatment Plant	0	0	3,499,300	0	3,494,300	3,969,308
Water Quality-Recycled Water	0	0	13,750	0	19,000	5,130
<b>Total Contract Services-Operations</b>	<b>\$900</b>	<b>\$22,550</b>	<b>\$3,817,150</b>	<b>\$45,450</b>	<b>\$3,877,150</b>	<b>\$4,220,063</b>

## CONTRACT SERVICES – PROGRAM CONSULTING

- San Justo Workplan – Updates and review for ongoing reporting
- USBR Water Management Plan – Ag Water Management Plan
- Zebra Mussel Eradication Project
- SLDMWA (CVP related activities) – CVP related activities
- Water Supply Master Plan Update



San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

	Budget 2024-2025				2023-2024 Budget	YTD Actual
	Zone 1	Zone 3	Zone 6	GSA		
<b>Contract Services-Program Consulting</b>						
San Justo Workplan	\$0	\$0	\$10,000	\$0	\$10,000	\$0
USBR Water Management Plan	0	0	14,400	0	0	0
Pajaro Watershed IRWMP Plan Update	0	0	0	0	10,000	0
San Justo Zebra Mussel	0	0	25,000	0	0	0
SLDMWA (CVP related activities)	0	0	36,000	0	36,000	41,991
IRWMP - Implementation Grant	0	0	0	0	50,000	0
Water Supply Master Plan Update - District	0	0	15,000	0	0	7,515
<b>Total Contract Services Programs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,400</b>	<b>\$0</b>	<b>\$106,000</b>	<b>\$49,506</b>

## **SECTION 6**

# **MATERIALS & EQUIPMENT**

## MATERIALS AND EQUIPMENT

### Supplies

- Replacements such as
  - Wheel operated valves
  - Underground valves
  - Air valves
  - Pressure transducers
- Pipe and pipe repair parts (clamps, fittings etc.)
- Construction supplies
- District yard and shop supplies
- Landscaping materials
- District office supplies
- Paving
- Sand and base rock
- Hydraulic equipment valves, oil and fittings
- Structure equipment supplies
- Hydraulic air compressor
- Repair closure kits

### Office Furniture / Equipment

- Office-related furniture, as needed
- Computer equipment

### Meters

- New meters
- Meter replacement supplies
- Chemigation valves

### Equipment Maintenance

- Repair of District heavy equipment (i.e. Mower, tractor, backhoe, forklift, etc.)
- Repair of small equipment

### Vehicle Fuel & Maintenance

- Fuel
- Major services
- Routine maintenance

### Chemicals

- Chlorine (Recycled Water)
- Weed & rodent control

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

	Budget 2024-2025					2023-2024 Budget	YTD Actual
	Zone 1	Zone 3	Zone 6	GSA	Total		
<b>Materials and Equipment</b>							
Chemicals	\$0	\$2,950	\$97,500	\$0	\$100,450	\$90,450	\$102,976
Supplies	1,850	8,850	275,600	150	286,450	207,400	193,820
Tools Purchase	50	1,250	7,700	0	9,000	6,100	6,268
Equipment/Office Furn Purchase	1,150	1,550	56,700	0	59,400	61,750	24,849
Tools and Equipment Rental	700	8,850	12,800	0	22,350	25,850	8,935
Meters	0	0	119,600	0	119,600	72,050	79,557
Vehicle Maintenance	0	1,450	15,850	0	17,300	16,100	11,430
Vehicle Fuel	800	2,800	51,950	0	55,550	55,550	39,597
Equipment Maintenance	0	950	10,950	0	11,900	11,850	14,408
<b>Total Materials and Equipment</b>	<b>\$4,550</b>	<b>\$28,650</b>	<b>\$648,650</b>	<b>\$150</b>	<b>\$682,000</b>	<b>\$547,100</b>	<b>\$481,840</b>

## **SECTION 7**

# **GENERAL & ADMINISTRATIVE**

*A. Utilities*

## GENERAL AND ADMINISTRATIVE

### Office Supplies

#### Dues and Fees

- Water Rights fees
- Dam inspection fees
- State Water Resources Control Board – Large Water System (Lessalt and West Hills)
- Permit fees - various
- Membership fees
  - Water Resources Association
  - CVP Water Users
  - San Luis Delta Mendota Water Authority
  - Pajaro Flood Prevention
  - ACWA
  - San Benito County Administration Fees (Property tax and GSA fee collection)
  - Underground Service Alert
  - Various

### Communications

- District telephone service
- Fiber optic lines
- Cloud access

### Insurance

- Property
- Liability

### Conferences

### Travel and mileage

### Advertising / Public information

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

Budget 2024-2025					2023-2024	YTD Actual
	Zone 1	Zone 3	Zone 6	GSA	Budget	
<b>General and Administrative</b>						
Finance Charges	\$0	\$0	\$9,600	\$0	\$9,600	\$4,683
Dues and Fees	5,050	51,800	156,800	2,050	210,400	257,856
Postage	250	250	13,600	0	13,250	9,095
Subscriptions/Publications	150	50	1,600	0	1,400	778
Office Supplies	1,500	750	12,750	0	15,000	16,568
Communications	2,750	5,450	52,350	0	59,900	51,283
General Business Expense	300	150	2,450	0	2,900	2,694
Travel and Mileage	2,450	1,200	20,700	0	19,150	4,805
Conferences	1,100	550	9,850	0	8,800	945
Election Expense	45,000	0	0	0	0	0
Advertising/Public Information	450	700	5,200	0	6,350	3,340
Insurance	8,900	4,150	103,250	0	104,000	136,748
<b>Total General and Administrative</b>	<b>\$67,900</b>	<b>\$65,050</b>	<b>\$388,150</b>	<b>\$2,050</b>	<b>\$450,750</b>	<b>\$488,795</b>

## UTILITIES

### Power

- District office
- Paicines (Zone 3)
- Pump Stations (Zone 6)
- San Justo Recovery Wells
- Water Treatment Plants
- Recycled Water

### Trash & Water

- District office



San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

Budget: Utilities

	Budget 2024-2025			2023-2024		6/30/2024
	Zone	Zone	Zone	Budget	YTD	Actual
	1	3	6			
Utilities - Power						
Utilities - District Office	2,450	1,250	20,850	24,550	22,143	
Utilities - Pumping	0	0	112,000	217,000	101,755	
Utilities - Transmission & Dist.	0	0	66,200	66,200	52,466	
Utilities - Source of Supply	0	400	0	350	244	
Utilities - Water Treatment Plant - Lessalt	0	0	225,000	165,000	189,865	
Utilities - Water Treatment Plant - West Hills	0	0	215,000	150,000	180,898	
Utilities - Recycled Water Pumping	0	0	49,000	44,150	42,447	
Utilities - Power Total	2,450	1,650	688,050	667,250	589,818	
Utilities - Trash & Water						
Utilities - General & Admin.	550	250	4,600	5,400	5,164	
Utilities - Disposal Fees	0	0	13,500	1,000	5,308	
Utilities - Trash & Water Total	550	250	18,100	6,400	10,472	
	3,000	1,900	706,150	673,650	600,290	

**SECTION 8**  
**CAPITAL PROJECTS**

## CAPITAL PROJECTS

### Preliminary Survey and Investigation

- 129 – Future Water Supply – Alternatives
- B129 – B.F. Sisk Dam Raise
- C129 – Grant Expense – ADRoP (DWR \$11.5 M)
- D129 – Grant Expense – ADRoP (USBR \$6.7 M)
- 168 – Pajaro Watershed IRWMP
- 200 – Zebra Mussel Control Study
- 222 – Pacheco Reservoir Expansion
- 227 – San Juan Water-Wastewater Master Plan

### Construction in Progress

- 940 – Highway 156 Bypass / Sub 10 Connection

### Special Projects

- 223 – Hernandez Spillway Improvement Work
- 929 – SCADA Telemetry Upgrade
- 932 – Pump Modification Project (9H)
- 941 – Arc Flash Study
- 944 – Slipline Pipe Replacement

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

Budget: Capital Expenditures

	Budget 2024-2025				2023-2024 Budget	As of 6/30/24 2023-2024 YTD Actual
	Zone 1	Zone 3	Zone 6	GSA		
<b>Capital Projects</b>						
<b>Preliminary Survey and Investigation:</b>						
129 Future Water Supply - Alternatives	0	0	500,000	0	500,000	45,058
A129 ADRoP - Accelerated Drought Response Program	0	0	0	0	900,000	1,307,795
B129 B.F. Sisk Dam Raise	0	0	196,000	0	769,250	133,751
C129 Grant Expense - ADRoP (DWR \$11.5 M)	0	0	21,000,000	0	0	0
D129 Grant Expense - ADRoP (USBR \$6.7 M)	0	0	21,000,000	0	0	0
168 Pejaro Watershed IRWMP	0	0	1,500,000	0	0	49,466
200 Zebra Mussel Crtl Study - Hollister Conduit	0	0	10,000	0	10,000	0
221 Grdwtr Mgmt Plan SGMA	0	0	0	0	0	219,932
222 Pacheco Reservoir Expansion	0	0	500,000	0	370,000	0
227 San Juan Water-Wastewater Master Plan	0	0	895,000	0	1,100,000	0
Total Preliminary Survey and Investigation	0	0	45,601,000	0	3,649,250	1,756,001
940 Highway 156 Bypass / Sub 10 Connection	0	0	100,000	0	100,000	0
Total Construction in Progress	0	0	100,000	0	100,000	0
223 Hernandez Spillway Improvement Work	0	250,000	0	0	250,000	2,819
929 SCADA Telemetry Upgrade	0	0	850,000	0	900,000	197,333
932 Pump Modification Project (9H)	0	0	100,000	0	100,000	0
941 Arc Flash Study	0	0	75,000	0	75,000	0
942 Union Bridge Replacement	0	0	0	0	0	9,130
944 Slipline Pipe Replacement	0	0	700,000	0	500,000	17,205
945 SJB Treated Water Pipeline	0	0	0	0	0	23,900
Total Special Projects	0	250,000	1,725,000	0	1,825,000	250,387
Total Capital Projects	0	250,000	47,426,000	0	5,574,250	2,006,388

## **SECTION 9**

# **PROPERTY, PLANT & EQUIPMENT AND WATER RIGHTS**

### Property Plant & Equipment

- Valve replacements
- Tank access catwalks (Lessalt)
- Flowmeters
- Trailer, toolbox, welder

### CVP Water Rights

- CVP Water Rights
- Reach 1 Capital Improvement Project
- Recycled Water Storage Pond
- Semitropic Stored Water

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

Budget: Capital Expenditures

	Budget 2024-2025				2023-2024 Budget	As of 6/30/24 2023-2024 YTD Actual
	Zone 1	Zone 3	Zone 6	GSA		
<b>Property, Plant and Equipment</b>						
PP Smaller Pumping Equipment	0	0	25,000	0	0	6,306
TDS Structures & Improvements	0	0	201,000	0	28,000	24,453
TDS Other Plant & Misc.	0	0	0	0	0	16,684
GP Structures & Improvements	0	0	0	0	15,000	53,634
GP Transportation Equipment	0	0	15,000	0	125,000	182,862
GP Power Operated Equipment	0	0	0	0	0	17,334
TP Structures & Improvements	0	0	105,000	0	325,000	38,034
<b>Total Property, Plant and Equipment</b>	<b>0</b>	<b>0</b>	<b>346,000</b>	<b>0</b>	<b>493,000</b>	<b>339,308</b>
<b>Water Rights</b>						
CVP Amendatory Contract Repmt	0	0	1,931,700	0	1,872,100	1,872,109
Semitropic Stored Water	0	0	37,000	0	37,000	42,390
CVP - Reach 1 Capital Improvement Project	0	0	1,113,850	0	458,350	61,285
Recycled Water Storage Pond	0	0	51,000	0	52,200	6,085
<b>Total Water Rights</b>	<b>0</b>	<b>0</b>	<b>3,133,550</b>	<b>0</b>	<b>2,419,650</b>	<b>1,981,870</b>

## **SECTION 10**

# **DESIGNATIONS & RESERVES**

- A. Net Operating Income after Transfers and Contributions*
- B. Summary of Designation and Restricted Reserve Activity*
- C. Capital Budget and Source of Funding*
- D. Cash and Investment Position Summary*



San Benito County Water District  
Fiscal Year 2024-2025  
Preliminary Budget  
Board Meeting - September 10, 2024  
Net Operating Income after Transfers and Contributions

		Based on budget				
		Zone 1	Zone 3	Zone 6	GSA	Total
Source - Budget Profit and Loss	NET INCOME FROM OPERATIONS *	123,367	349,300	2,317,208	336,697	3,126,572
	Adjustments to net income from operations					
	Depreciation and amortization	7,000	46,600	3,742,650	-	3,796,250
		-	-	-	-	-
	ADJUSTED NET INCOME FROM OPERATIONS	130,367	395,900	6,059,858	336,697	6,922,822
Source - SGMA / GSP	GSA ACTIVITY					
	GSP Development costs - (monitoring wells etc)	-	-	-	-	-
	GSP Development costs - Principal repayment to Zone 1	39,681	-	-	(39,681)	-
	Total GSA activity	39,681	-	-	(39,681)	-
Source- Hollister Urban Area Project Agreement	OTHER TRANSFERS / PAYMENTS					
	Principal payment - City National Loan	-	-	(277,101)	-	(277,101)
	Transfer to Undesignated Reserves (25%)	-	-	(421,718)	-	(421,718)
	Transfer to USBR Contract Repayment - Restricted Reserve (75%)	-	-	(1,265,154)	-	(1,265,154)
	TOTAL TRANSFERS TO UNDESIGNATED, RESTRICTED RESERVE AND LOANS	-	-	(1,963,973)	-	(1,963,973)
Source-Board Approved Designation Policy	TRANSFERS TO DESIGNATED RESERVES					
	Contribution to Capital Replacement Reserve	(7,973)	209,668	-	-	201,695
	Contribution to Capital Improvement Reserve	-	-	2,660,878	-	2,660,878
	Contribution to Water Supply Revolving Reserve	-	-	(773,957)	-	(773,957)
	Contribution to Operating Reserve	(22,006)	(44,353)	(807,388)	-	(873,747)
	Contribution to Expanded Pacheco Reservoir Reserve	-	-	-	-	-
	TOTAL TRANSFERS TO DESIGNATED RESERVES	(29,979)	165,315	1,079,533	-	1,214,869
Source- Board Approved Restriction Policy	TRANSFERS TO RESTRICTED RESERVES					
	Contribution to USBR Contract Repayment Restricted Reserve	-	-	(4,052,934)	-	(4,052,934)
	Contribution to San Felipe Reach 1 Reserve	-	-	(23,287)	-	(23,287)
	Contribution to Water Treatment Plant Replacement Reserve	-	-	(722,779)	-	(722,779)
	Contribution to Reach 1 Major Repair and Maintenance Reserve	-	-	650,914	-	650,914
	Contribution to Reliability Charge M&I	-	-	(969,867)	-	(969,867)
	TOTAL TRANSFERS TO RESTRICTED RESERVES	-	-	(4,148,087)	-	(4,148,087)
	Net operating income after transfers and contributions	140,069	561,215	1,027,331	297,016	2,025,631
Balance Sheet Activity	OTHER					
	Principal payment - City National Loan (Recycled Water Project)	-	-	(103,899)	-	(103,899)
	Principal payment - CalPERS UAL Bond	(7,717)	(9,144)	(157,139)	-	(174,000)
	Principal Payment - USBR In- Basin Capital	-	-	(178,000)	-	(178,000)
	Total Balance sheet activity	(7,717)	(9,144)	(439,038)	-	(455,899)
Net Overall Activity		132,352	552,071	588,293	297,016	1,569,732

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget

Tab 10 B

Summary of Designation and Restricted Reserve Activity

	Zone 1	Zone 3	Zone 6	GSA	Total
<b>Reach 1 Major Repair and Maintenance Reserve -Restricted</b>					
Estimated FYE2024 Balance (prior to June 30 )	-	-	3,982,874	-	3,982,874
Transfer From Undesignated at June 30, 2024	-	-	-	-	-
Withdrawal (funding source for Capital Budget FY2024-2025)	-	-	(1,113,850)	-	(1,113,850)
Contribution from Operating Budget FY2024-25	-	-	462,936	-	462,936
Estimated Balance FYE 2024-25	-	-	3,331,960	-	3,331,960
<b>Contract Repayment Reserve - Restricted</b>					
Estimated FYE2024 Balance (prior to June 30 )	-	-	24,625,666	-	24,625,666
USBR Contract principal payment	-	-	(1,931,684)	-	(1,931,684)
Withdrawal (funding source for Capital Budget FY2024-2025)	-	-	-	-	-
Contribution from the HUA Project Agreement (Principal and interest repayment - 75%)	-	-	1,265,153	-	1,265,153
Contribution from Operating Budget FY2024-25	-	-	4,719,465	-	4,719,465
Estimated Balance FYE 2024-25	-	-	28,678,600	-	28,678,600
<b>San Felipe Reach 1 Reserve - Restricted</b>					
Estimated FYE2024 Balance (prior to June 30 )	-	-	585,030	-	585,030
Contribution from Operating Budget FY2024-25	-	-	23,287	-	23,287
Withdrawal at June 30, 2025	-	-	-	-	-
Estimated Balance FYE 2024-25	-	-	608,317	-	608,317
<b>District Revolving Fund Reserve - Restricted</b>					
Estimated FYE2024 Balance (prior to June 30 )	75,000	-	-	-	75,000
Contribution from Operating Budget FY2024-25	-	-	-	-	-
Withdrawal at June 30, 2025	-	-	-	-	-
Estimated Balance FYE 2024-25	75,000	-	-	-	75,000
<b>Capital Improvement Reserve</b>					
Estimated FYE2024 Balance (prior to June 30 )	-	202,619	3,003,706	-	3,206,325
Contribution from Operating Budget FY2024-25	-	-	440,122	-	440,122
Withdrawal (funding source for Capital Budget FY2024-2025)	-	-	(3,101,000)	-	(3,101,000)
Estimated Balance FYE 2024-25	-	202,619	342,828	-	545,447
<b>Capitla Asset Replacement Reserve</b>					
Estimated FYE2024 Balance (prior to June 30 )	76,285	503,178	3,387,062	-	3,966,525
Contribution from Operating Budget FY2024-25	7,973	40,332	2,171,000	-	2,219,305
Withdrawal (funding source for Capital Budget FY2024-2025)	-	(250,000)	(2,171,000)	-	(2,421,000)
Estimated Balance FYE 2024-25	84,258	293,510	3,387,062	-	3,764,830
<b>Operating Reserve</b>					
Estimated FYE2024 Balance (prior to June 30 )	93,508	137,503	3,095,442	-	3,326,453
Contribution from Operating Budget FY2024-25	22,006	44,353	807,388	-	873,747
Withdrawal at June 30, 2025	-	-	-	-	-
Estimated Balance FYE 2024-25	115,514	181,856	3,902,830	-	4,200,200

**San Benito County Water District**  
**Fiscal Year Budget 2024-2025**  
**Preliminary Budget**

**Tab 10 B**

**Summary of Designation and Restricted Reserve Activity**

	Zone 1	Zone 3	Zone 6	GSA	Total
<b>Water Supply Revolving Reserve</b>					
Estimated FYE2024 Balance (prior to June 30 )	-	-	2,223,119	-	2,223,119
Contribution from Operating Budget FY2024-25	-	-	861,957	-	861,957
Withdrawal at June 30, 2025	-	-	(88,000)	-	(88,000)
Estimated Balance FYE 2024-25	-	-	2,997,076	-	2,997,076
<b>San Felipe / Hollister Conduit Reserve - Restricted</b>					
Estimated FYE2024 Balance (prior to June 30 )	-	-	250,000	-	250,000
Contribution from Operating Budget FY2024-25	-	-	-	-	-
Withdrawal at June 30, 2025	-	-	-	-	-
Estimated Balance FYE 2024-25	-	-	250,000	-	250,000
<b>Self Insurance Reserve</b>					
Estimated FYE2024 Balance (prior to June 30 )	-	-	100,000	-	100,000
Contribution from Operating Budget FY2024-25	-	-	-	-	-
Withdrawal at June 30, 2025	-	-	-	-	-
Estimated Balance FYE 2024-25	-	-	100,000	-	100,000
<b>Water Treatment Plant Replacement Reserve</b>					
Estimated FYE2024 Balance (prior to June 30 )	-	-	4,986,745	-	4,986,745
Contribution from Operating Budget FY2024-25	-	-	722,779	-	722,779
Withdrawal at June 30, 2025	-	-	-	-	-
Estimated Balance FYE 2024-25	-	-	5,709,524	-	5,709,524
<b>Other Post Employment Benefit Trust</b>					
Estimated FYE2024 Balance (prior to June 30 )	37,757	56,635	849,522	-	943,914
Contribution from Operating Budget FY2024-25	-	-	-	-	-
Withdrawal at June 30, 2025	-	-	-	-	-
Estimated Balance FYE 2024-25	37,757	56,635	849,522	-	943,914
<b>Reliability Charge M&amp;I</b>					
Estimated FYE2024 Balance (prior to June 30 )	-	-	678,702	-	678,702
Contribution from Operating Budget FY2024-25	-	-	969,867	-	969,867
Withdrawal at June 30, 2025	-	-	-	-	-
Estimated Balance FYE 2024-25	-	-	1,648,569	-	1,648,569
<b>Expanded Pacheco Reservoir Reserve</b>					
Estimated FYE2024 Balance (prior to June 30 )	-	-	1,643,685	-	1,643,685
Contribution from Operating Budget FY2024-25	-	-	500,000	-	500,000
Withdrawal at June 30, 2025	-	-	(500,000)	-	(500,000)
Estimated Balance FYE 2024-25	-	-	1,643,685	-	1,643,685
<b>Total Designations &amp; Restrictions FYE2024-25 \$</b>					<b>54,497,123</b>

San Benito County Water District  
Fiscal Year Budget 2024-2025  
Preliminary Budget  
Board Meeting - September 10, 2024  
Capital Budget and Source of Funding

	Zone 1	Zone 3	Zone 6	GSA	Total	Sources of Funding
<b>Capital Budget: Preliminary Survey and Investigation</b>						Restricted and Designated Reserves
Future Water Supply-Alternatives	-	-	500,000	-	500,000	Capital Improvement
B.F. Sisk Dam Raise	-	-	196,000	-	196,000	Capital Improvement
Grant Expense - ADROp (DWR \$11.5M)	-	-	21,000,000	-	21,000,000	Capital Improvement
Grant Expense - ADROp (USBR \$6.7M)	-	-	21,000,000	-	21,000,000	Capital Improvement
Pajaro Watershed IRWMP	-	-	1,500,000	-	1,500,000	Capital Improvement
Zebra Mussel Ctrl Study - Hollister Conduit	-	-	10,000	-	10,000	Capital Improvement
Pacheco Reservoir Expansion	-	-	500,000	-	500,000	Expanded Pacheco Reservoir
San Juan Water-Wastewater Master Plan	-	-	895,000	-	895,000	Capital Improvement
<b>Subtotal Budgeted Expense</b>	-	-	45,601,000	-	45,601,000	
<b>Capital Budget: Special Projects</b>						
Hernandez Spillway Improvements	-	250,000	-	-	250,000	Capital Asset Replacement
Pump Modification Project (9H)	-	-	100,000	-	100,000	
Arc Flash Study	-	-	75,000	-	75,000	
Scada Telemetry upgrades	-	-	850,000	-	850,000	
Slipline Pipe Replacement	-	-	700,000	-	700,000	
156 Bypass / Subsystem 10 connection	-	-	100,000	-	100,000	
<b>Subtotal Budgeted Expense</b>	-	250,000	1,825,000	-	2,075,000	
<b>Total Preliminary Survey and Investigations and Special Projects</b>	-	250,000	47,426,000	-	47,676,000	
<b>Capital Budget: Water Rights</b>						
CVP Amendatory Contract Repayment	-	-	1,931,700	-	1,931,700	USBR Contract Repayment and Rate Management
WWTP Storage Pond	-	-	51,000	-	51,000	Water Supply Revolving
Reach 1 Capital Improvements	-	-	1,113,850	-	1,113,850	Reach 1 Major Repair and Replacement
Water Rights - Semitropic Water Storage	-	-	37,000	-	37,000	Water Supply Revolving
<b>Total Budgeted Expense</b>	-	-	3,133,550	-	3,133,550	
<b>Capital Budget: Property Plant and Equipment</b>						
VFD (125 or 150 HP)	-	-	15,000	-	15,000	Capital Asset Replacement
Flowmeter (2)	-	-	20,000	-	20,000	
TO Pressure Reducing Valves - Replace	-	-	20,000	-	20,000	
Flow Control replace 16" Cla Val	-	-	110,000	-	110,000	
Replace 6" Ocean Valve	-	-	40,000	-	40,000	
2" Cla Valve	-	-	12,000	-	12,000	
Replace Motor Operator Valve	-	-	9,000	-	9,000	
Tank Access Catwalks	-	-	105,000	-	105,000	
Trailer, toolbox, & welder	-	-	15,000	-	15,000	
<b>Total Budgeted Expense</b>	-	-	346,000	-	346,000	

Fiscal Year 2024-2025  
Preliminary Budget  
Board Meeting - September 10, 2024  
Cash and Investment Position Balances

<b>San Benito County Water District Cash and Investment Position</b> <i>As of :</i>	Actual Audited Fiscal YE 2023	Estimated Unaudited Fiscal YE 2024	Estimated Unaudited Fiscal YE 2025
<b>Cash and Investments</b>	77,000,382	86,905,050	96,436,100
<b>Designated Net Asset/Cash</b>			
Reserved for Operations	3,420,822	3,326,453	4,200,200
Reserved for Capital Asset Replacement	3,319,445	3,966,525	3,764,830
Reserved for Capital Improvements	4,106,582	3,206,325	545,447.
Reserved for Self-Insurance	100,000	100,000	100,000
Reserved for Water Supply Revolving	2,225,419	2,223,119	2,997,076
Reserve for Expanded Pacheco Reservoir	1,327,893	1,643,685	1,643,685
<b>Total Designated Cash</b>	14,500,161	14,466,107	13,251,238
<b>Restricted Net Asset/Cash</b>			
District Revolving Fund	75,000	75,000	75,000
San Felipe-Hollister Conduit Reserve	250,000	250,000	250,000
San Felipe-Reach 1 Reserve	562,968	585,030	608,317
Reach 1 Major Maintenance and Repair Reserve	3,528,444	3,982,874	3,331,960
Contract Repayment Reserve (USBR)	21,027,164	24,625,666	28,678,600
Water Treatment Plant Replacement Reserve	4,415,322	4,986,745	5,709,524
Other Post Employment Benefit Trust Reserve	1,019,779	943,914	943,914
Reliability Charge M&I	94,710	678,702	1,648,569
<b>Total Restricted Cash</b>	30,973,387	36,127,931	41,245,885
<b>Undesignated Cash</b>	31,527,334	36,311,012	41,938,977
<b>Total Undesignated Cash</b>	31,527,334	36,311,012	41,938,977

# **GENERAL INFORMATION**

*A. Multi-Agency Projects*

*B. Multi-Year Projects*

**San Benito County Water District**  
**FISCAL YEAR BUDGET 2024-2025**  
*Preliminary Budget*  
**Multi-Agency Projects**

<i>Water Resources Association</i>		Expenses	Reimbursements
	Shared Expenses	\$ 495,770	
Reimbursement for shared expenses:			
City of Hollister			\$ 157,940
City of San Juan Bautista			\$ 12,490
Sunnyslope County Water District			\$ 157,940
San Benito County Water District			\$ 167,400
Total		\$ 495,770	\$ 495,770

San Benito County Water District  
FISCAL YEAR BUDGET 2024-2025  
*Preliminary Budget*  
*Multi-Year Projects*

Reach 1 Capital Projects				
	SBCWD Share (22%)			
Project Description	2024-2025	2025-2026	2026-2027	
Small Capital Projects	\$ 666,142	\$ 711,609	\$ 740,073	
Pump #8 rebuild (delayed from FY23)	330,000			
PAC 34/Elephant Head Creek Erosion repair (delayed from FY23)	110,000			
Pacheco/Santa Clara Conduit Right of Way Acquisition	7,700	-	-	
<b>Total</b>	<b>\$ 1,113,842</b>	<b>\$ 711,609</b>	<b>\$ 740,073</b>	



**San Benito County Water District  
Agenda Transmittal**

Agenda Item:

2

Meeting Date: September 10, 2024

Submitted By: Brett Miller

Presented By: Brett Miller

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Agenda Title: Consider Amending Resolution 2023-14 Regarding the District Policy on Restriction and Designation of District Net Assets/Cash

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**Detailed Description:**

Each year the Board reviews its policy for Restrictions and Designations of Net Assets/Cash.

**CHANGES**

All Designations and Restrictions are funded as approved in the fiscal year budget consistent with the approved Restriction and Designation policy. The one change in this year's resolution would be in table #2 of the Designated/Net Assets/Cash which is for the Reliability Charge.

**Prior Committee or Board Action(s):**

Annual Review of policy since 2004

Finance Committee Meeting: September 3, 2024

**Financial Impact:**     X     Yes          No

**Funding Source/ Recap:**

Funding changes to Reserves/Designations are handled at fiscal year-end per Board policy.

**Material Included for Information/Consideration:**

Recommendation from Finance Committee

Definitions of Restrictions and Designations

Draft Resolution

Tables for Restrictions and Designations

Staff and the Finance Committee recommend the Board approve the Resolution amending the Policy Regarding Restriction and Designations of Net Assets/Cash.

### Board Action

Reagendized\_\_\_\_\_ Date\_\_\_\_\_ No Action Taken\_\_\_\_\_

BOARD AGENDA MEMO

DATE: September 3, 2024

TO: Board of Directors

FROM: Finance Committee  
(Shelton/Tonascia)

SUBJECT: District Policies Regarding Restriction and Designation of Net  
Assets/Cash

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The Finance Committee has conducted its annual review of the District's Restriction and Designation of Net Assets/Cash and recommends Board approval of a Resolution amending the policy.



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Director Shelton



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Director Tonascia

# Restrictions and Designations

## Definitions

### Restricted Net Assets/Cash

Restrictions are externally imposed constraints placed by creditors, grantors, contributors, or laws or regulations of other governments. Net assets/cash are also restricted if their use is constrained by law through constitutional provisions or enabling legislation.

### Unrestricted Net Assets/Cash

#### Designated Net Assets/Cash

Designations represent management's intended use of resources and should reflect actual plans approved by the government's senior management. Designations reflect a government's self-imposed limitations on the use of otherwise available current financial resources.

#### Undesignated Net Assets/Cash

Net assets/cash that are neither restricted nor designated.

**RESOLUTION NO. 2024-33**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SAN BENITO COUNTY WATER DISTRICT  
AMENDING RESOLUTION 2023-14 REGARDING  
THE DISTRICT POLICY ON  
RESTRICTION AND DESIGNATION OF NET ASSETS/CASH**

**WHEREAS** a District Policy Regarding Restriction and Designation of Net Asset/Cash was developed with the oversight and participation of the Finance Committee, the District Auditor, and General Counsel; and

**WHEREAS** the Board of Directors adopted said policy in Resolution 2004-16 on June 30, 2004; and

**WHEREAS** said policy called for an annual review and Finance Committee and Board of Directors conducted the annual review; and

**WHEREAS** the Board of Directors adopted and amended policies in Resolutions 2005-16, 2006-10, 2007-11, 2008-22, 2009-14, 2010-12, 2011-14, 2012-13, 2013-14, 2014-08, 2015-06, 2016-12, 2017-12, 2018-08, 2019-09, 2020-09, 2021-15, 2022-20, and 2023-14;

**WHEREAS** the Finance Committee has conducted the annual review for fiscal year 2024 and the recommended changes to the policy are summarized in Exhibit A;

**BE IT RESOLVED** by the Board of Directors of the San Benito County Water District that the Policy Regarding Restriction and Designation of Net Assets attached as Exhibit B and included herein by reference is approved.

**PASSED AND ADOPTED** by the San Benito County Water District Board of Directors at special meeting of said board held on the 10<sup>th</sup> day of September 2024, at Hollister, California, by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

(Resolution #2024-33  
Signed by the Presiding Board Member  
Attested by the Board Secretary)

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Andrew Shelton  
Board President

ATTEST: 

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Barbara L. Mauro  
Board Secretary

**Exhibit A**

The Policy Regarding Restrictions and Designation of Net Assets/Cash, effective June 30, 2024, is amended from the policy documented in Resolution 2023-14, in the following ways:

- The *Purpose, Policy and Procedures* section (Exhibit B) was updated with a minor edit to reflect correct title of “General Manager” for full authority and responsibility to carry out actions of this policy.
- Table #1 Restricted/Net Assets/Cash is unchanged.
- Table #2 Designated/Net Assets/Cash has one addition for the Reliability Charge.



**Exhibit B**

**PURPOSE:**

Adequate reserved funds (net assets/cash) are a necessary component of the District's overall financial management plan and required to meet various externally imposed constraints.

Funds are reserved to meet specific future financial obligations and to mitigate natural, economic, political and regulatory risks. This policy is intended to document the business practices of the District and accurately reflect the nature, purpose and management of restricted and designated net assets and accurately reflect the financial condition of the District to its constituents, creditors, financial institutions, regulatory agencies, State and Federal agencies and the general public.

**POLICY:**

**Restricted Net Assets/Cash**

In accordance with GASB Statement 34 and FASB Statement 71, net assets are restricted when constraints placed on their use are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. They are also restricted if their use is constrained by law through constitutional provisions or enabling legislation. Restricted Net Assets/Cash, the source of Restriction, the purpose of the Restriction, the method of determining the amount of Restriction and the treatment of interest is shown on Table I.

**Designated Nets Assets/Cash**

In accordance with GASB Statement 34, designations of net assets represent management's intended use of resources and should reflect plans approved by the government's senior management. Designations reflect a government's self-imposed limitations on the use of otherwise available current financial resources. Designated Net Assets/Cash, the purpose of the Designation, the method of determining the amount of the Designation and the treatment of interest is shown on Table 2.



**Exhibit B**

**PROCEDURE:**

- Restrictions are to be reviewed by the Finance Committee annually including but not limited to a review of statutory and regulatory changes impacting or creating Restriction of District Net Assets/Cash together with any new or pending constraints resulting from business relationships with creditors, grantors or contributors.
- For any new or amended contract or other business relationship or action that creates or changes a restriction of Net Assets/Cash, the nature and amount of that restriction or change in restriction shall be specifically and fully detailed in the documents supporting action by the Board and only the Board shall have the authority to take or approve any action which has the effect of creating or changing such restriction(s) of Net Assets/Cash.
- Designations are to be reviewed by the Finance Committee annually and any changes approved by the Board on or before June 30 each year.
- Adding a designation category requires specific approval of the Board. This action will include: 1) the purpose of the designation, 2) the dollar amount of the designation, 3) the method for calculating any annual adjustment(s), if the dollar amount is to change each year, and 4) whether or not the interest accrued on the designated amount is to be added to the designation at the end of each fiscal year.
- Removing a designation category requires specific approval of the Board.
- Changing the method for calculating the annual adjustment(s) of the designation requires approval of the Board.
- The actual dollar amounts of the designation shall be calculated based on the defined method and adjusted at year-end for financial reporting purposes.
- Designated net assets will be segregated in separate financial accounts.
- An identical amount of cash will be designated for annual financial reporting purposes in order to reflect management's intention to fund the commitment of designated net assets. Designated cash will not be segregated from undesignated cash either in bank/investment accounts or in financial accounts except when that cash is separately invested in a manner specifically approved by the Board.

The General Manager shall have full authority and responsibility to carry out actions of this policy.

Table #1

**DRAFT**

**RESTRICTED NET ASSETS/CASH**

Name of Restricted Net Asset/Cash	Source Of Restriction	Purpose	Method for Calculating Amount of Restriction	Treatment of Accrued Interest
District Revolving Fund	San Benito County Water Conservation and Flood Control District Act (Section 70-7.1(a))	To provide funds which may be used for emergencies and to pay costs necessary for the establishment of a zone within the District.	Amount specified in the District Act.	Interest accrued as specified in the District Act.
San Felipe-Hollister Conduit Reserve	USBR Contract Central Valley Project-Contract Between the United States and the San Benito County Water Conservation and Flood Control District for Water Service and for Operation and maintenance of Certain Works of the San Felipe Division (Contract #8-07-20-W0130)	To meet unforeseen extraordinary costs and emergencies.	Amount specified in the Contract.	As specified in contract.

**DRAFT**

**RESTRICTED NET ASSETS/CASH**

Name of Restricted Net Asset/Cash	Source Of Restriction	Purpose	Method for Calculating Amount of Restriction	Treatment of Accrued Interest
San Felipe-Reach 1 Reserve	USBR San Felipe Division-Contract for the Transfer of the Operation and Maintenance of Certain San Felipe Division Facilities (Contract # 6-07-20-X0290): United States, Santa Clara Valley Water District, and San Benito County Water Conservation and Flood	To meet operations and maintenance costs incurred during period of special stress and extraordinary repair or replacement costs associate with Reach 1.	Amount specified in the Contract	As specified in contract.

Table #1

**DRAFT**

# RESTRICTED NET ASSETS/CASH

Name of Restricted Net Asset/Cash	Source Of Restriction	Purpose	Method for Calculating Amount of Restriction	Treatment of Accrued Interest
USBR Contract Repayment and Rate Management Reserve	Agreement Between Santa Clara Valley Water District and San Benito County Water District for Repayment and Management of San Felipe Division Facilities.	Funds to pay for San Felipe Division costs, including existing foreseeable and unforeseeable costs that may result from catastrophic failure of San Felipe Division facilities. Funds from this restricted reserve are to be used for USBR Amendatory Contract Repayment. This USBR Contract Repayment and Rate Management Reserve is intended to provide funds to make interest and principal payments on the Amendatory contract in an effort to minimize the impact of the repayment schedule on water rates and taxes.	At each fiscal year end, the amount added to the reserve would be the annual allocation from the land tax, interest accrued on the restricted reserve, and the amount associated with the interest component in M&I water rates. Withdrawals may be made for the USBR principal and interest payments required during the fiscal year as outlined in Exhibit D of the Amendatory contract NO. 8-07-20-W0130A and for costs associated with WILN Act USBR in-basin capital repayment costs. Effective fiscal year end 2017-2018, the annual allocation for the Zone 6 land tax is 30% of the land tax and is subject to annual review by the Board. For fiscal year end 2013, the reserve balance will be adjusted to the target minimum of one and one half years of USBR Amendatory Contract payments and the remaining balance will be transferred to the Designation for Hollister Urban Area Water Treatment Plants. The Capital Recovery components (principal and interest) as identified in the Water Supply and Treatment Agreement will be added to the reserve each year in relative proportion to the reserves funding of the project costs. Repayment costs associated with repayment of the in-basin capital costs will be added back to the reserve on an amortized basis over the remaining life of the USBR Amendatory Contract (2036).	Added to the Restricted Reserve to meet future obligations associated with San Felipe Division costs.

Fiscal Year End  
2024

Table #1

## RESTRICTED NET ASSETS/CASH

**DRAFT**

Name of Restricted Net Asset/Cash	Source Of Restriction	Purpose	Method for Calculating Amount of Restriction	Treatment of Accrued Interest
Reach 1 Major Repair and Replacement Reserve	Agreement Between Santa Clara Valley Water District and San Benito County Water District for Repayment and Management of San Felipe Division Facilities.	To provide funds for major repair and replacement associated with Reach 1.	Initial balance to be transferred from the fiscal year end 2006 balance of the designation USBR Contract Renewal. Review amount of restriction annually to be in compliance with Section 4(a) of the Agreement Between Santa Clara Valley Water District and San Benito County Water District for Repayment and Management of San Felipe Division Facilities. When funds are used from this reserve to pay for Reach 1 Major repair and replacement, they will be replenished from the operating budget over 5 to 10 years, depending on life of asset, beginning in the initial project year. Replenishment will also include a 3% inflation factor. Target minimum established at \$500,000.	Accrued interest is to be added to the Restricted Reserve until such time that the minimum aggregate amount is achieved. Once the minimum aggregate amount is achieved, the interest will be added to the undesignated cash of the District.

Table #1

DRAFT

## RESTRICTED NET ASSETS/CASH

Name of Restricted Net Asset/Cash	Source Of Restriction	Purpose	Method for Calculating Amount of Restriction	Treatment of Accrued Interest
Reserved for Water Treatment Plants-Asset Replacement Reserve	Hollister Urban Area Water Supply and Treatment Agreement: Article 6.3(a)(4)	To provide funds for capital replacement of assets of the Water Supply and Treatment Program, and funds so expended will be replaced through subsequent contributions.	Annual contribution of \$190,000 for the Lessalt water treatment plant through fiscal year end 2017. Effective fiscal year 17-18, the annual amount collected is established at 1.5% of constructed cost of water treatment plants. Amount is collected through the capital replacement cost component of the monthly billing to the Hollister Urban Area retailers to cover anticipated costs for future capital replacements for both water treatment plants as reviewed annually by District Engineer. Effective fiscal year end 2018-2019, any balance remaining in the Reserve for Hollister Urban Area Water Treatment Facilities will be transferred to the Reserve for Water Treatment Plants-Asset Replacement Reserve.	Interest will accrue. Interest accrued on restricted balance is added to the restriction each fiscal year-end. Average LAIF interest rate is applied to the amount of restriction during that fiscal year.
Reserve for Other Post-Employment Benefits (OPEB) Trust	CERBT Trust Account	To provide restricted funds for retiree future medical payments.	Amount will be reviewed annually by the Board during the budget process.	As specified in CERBT contract

Fiscal Year End 2024		Table #2	
DESIGNATED NET ASSETS/CASH			
Name of Designated Net Asset/Cash	Purpose	Method for Calculating Amount of Designation	Treatment of Accrued Interest
Reserved for Operations	The reserves designated for operating contingencies are established to provide for unforeseen needs, revenue shortfalls, and emergency appropriations during the year.	At fiscal year end, one half of an average of the most recent 3 years' annual operating expense (excluding depreciation, amortization and operating expense associated with the Hollister Urban Area water treatment plants) is designated for the following year.	No interest accrual.
Reserved for Capital Improvements	Established by board action(s) to fund future capital improvement projects. The purpose of this designation is to accumulate funds for specific projects or utility purpose to provide all or a portion of the cost.	These designations are for specific new capital improvement projects. The board decides how much to fund and for which projects. Funding level is reviewed annually. Any use of funds is replenished from the operating budget on an amortized basis over the assigned life of the project. Use of funds from this reserve for preliminary survey and investigation, will be replenished from the operating budget on an amortized basis over 5 years.	No interest accrual.
Reserved for Self-Insurance	Established by board policy to fund the contingent liability for the District's self-insured portion of vehicle coverage.	Adequacy of funding level will be reviewed annually.	No interest accrual.

Fiscal Year End 2024		Table #2	
DESIGNATED NET ASSETS/CASH			
Name of Designated Net Asset/Cash	Purpose	Method for Calculating Amount of Designation	Treatment of Accrued Interest
Reserved for Capital Asset Replacement	This designation is to accrue funding for asset purchase and replacement in the period of use. Through this funding reservation, monies are set aside for planned future asset expenditures within specified categories. In addition, this reserve provides a funding source for unanticipated asset needs, mitigates the impact of large budget expenditures, and assists with asset management and long range planning.	The designation will be increased by the amount of the annual depreciation expense for each asset multiplied by a factor for each asset group based on their assigned life. Assets with assigned lives of 1-15 years are reserved at 100% of their annual depreciation expense. Assets with assigned lives of 16 to 49 years are reserved at 50% of their annual depreciation expense. Assets with assigned lives of 50+ years and land are not reserved for.	Interest will accrue. Interest accrued on designated balance is added to the designation at fiscal year end. Average LAF interest rate is applied to the amount of designation during that fiscal year.
Water Supply Revolving Reserve	To provide additional source of funds for Zone 6 water supply augmentation through local or imported water purchases.	Amount of administrative fee from water sales/transfers and/or funding from operations. Funding level is reviewed annually. Use of funds will be replenished from the operating budget over 5 years on an amortized basis. Target minimum of \$3 million funded over 5 years.	No interest accrual
Expanded Pacheco Reservoir	To provide funds for the pre-construction (planning and design) phase of the project.	Effective July 1, 2018, the reserve will be initially funded at \$1,000,000. At FYE Amount will be reviewed annually by the Board during the budget process.	No interest accrual.
Reserved for Reliability Charge M&I	Established to fund future water reliability improvement projects. The purpose of this designation is to accumulate funds for specific reliability projects to provide all or a portion of the cost.	These designations are for specific new reliability capital improvement projects. The funds are accumulated from the reliability fee charged each fiscal year.	No interest accrual.





Agenda

Item

# 3

**RESOLUTION NO. 2024-34**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SAN BENITO COUNTY WATER DISTRICT  
AFFIRMING THAT IN THE ABSENCE OF THE GENERAL MANAGER,  
THE MANAGER OF ADMINISTRATION, FINANCE AND BUSINESS SERVICES  
HAS THE SAME POWERS/DUTIES/AUTHORITY  
AS THE GENERAL MANAGER  
IN REGARD TO DISTRICT OPERATIONS**

**WHEREAS**, the General Manager may be absent from the District, and;

**WHEREAS**, the District needs regular operations to continue while the General Manager is unavailable, and;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Benito County Water District, that the District hereby affirms that, when the General Manager is absent from the District or otherwise unavailable, the Manager of Administration, Finance and Business Services has the same power, duties, and authority as the General Manager in regard to District operations.

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

**PASSED AND ADOPTED** by the Board of Directors of the San Benito County Water District at a Special Meeting, this 10<sup>th</sup> day of September, 2024, by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSTAIN: DIRECTORS:

ABSENT: DIRECTORS:

*(Signature of presiding Board member  
Attested by Board Secretary  
Resolution #2024-34)*

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Andrew Shelton  
President

ATTEST:

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Barbara L. Mauro  
Board Secretary