

September 10, 2024
Special Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in special session on Tuesday, September 10, 2024 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Andrew Shelton, Vice President Doug Williams and Directors Sonny Flores, Joe Tonascia and Mark Wright. Also present were Interim General Manager Jeff Cattaneo, District Counsel Jeremy T. Liem, Interim Manager of Administration, Finance and Business Services Brett Miller, Water Conservation Program Manager Jennifer Cosio Arellano, Supervising Accountant Cindy Paine, Accounting Technician Leilani Vidal and Executive Assistant/Board Clerk Barbara Mauro.

CALL TO ORDER

President Shelton called the meeting to order at 5:00 p.m.

- a. Pledge of Allegiance to the Flag**
President Shelton led the Pledge of Allegiance.
- b. Roll Call**
Mrs. Mauro called roll; members present were: President Shelton, Vice President Williams and Directors Flores, Tonascia and Wright.
- c. Speakers will be limited to 5 minutes to address the Board**
- d. Approval of the Agenda**
With a motion by Director Tonascia and a second by Director Wright, the Board of Directors approved the Agenda with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

AGENDA ITEMS:

- 1. 2024-2025 District Budget**
 - a. Presentation of 2024-2025 District Budget**

Utilizing a PowerPoint presentation, Mr. Miller presented the 2024-2025 District Budget. He reviewed the Budget Summary, which at the end of the year has a proposed ending balance of \$1.5 million. Mr. Miller reviewed how the budget process worked. Each department preparing a draft budget, reviewing it with the General Manager and then the General Manager approving each budget and the final draft. The final step before coming to the Board is the review and recommendation from the Finance Committee.

Mr. Miller began with the Operating Budget. He gave an overview of Revenue, Non-Operating Revenue and Revenue Sources. He continued with Assumptions of Cost of Water, Expenses by Source, General and Administrative, Wages and Employee Related Expenses and Materials and Equipment. Mr. Miller stated the District is purchasing new meters, which are under Materials and Equipment. Director Tonascia asked if there are various sizes of meters. Mr. Cattaneo stated yes, various sizes of propeller

meters which are Ag meters. Mr. Miller continued with his review of the Contract Services-General, which contains legal services. Mr. Liem asked why the bulk of the legal expenses are charged against Zone 6. Mr. Cattaneo stated that is because a significant amount of the budget will be used for the Water Supply and Treatment Agreement Amendment and also for the B F Sisk Dam Review. Mr. Miller resumed with Contract Services-Operations, Contract Services-Programs and Participation in Water Resources Association of SBC. He concluded the Operating Budget review with the Net Operating Income after the Transfers and Contributions for Designations and Restrictions.

Mr. Miller then turned to the review of the Capital Budget. He reviewed the Preliminary Survey and Investigations, Construction in Progress and Special Projects, Property, Plant and Equipment, Reach 1 Capital Projects, the CVP Amendatory Contract Payments, and concluded with the Capital Budget Summary which was a total of \$ 51,155,550.

Director Tonascia asked what the water allocation is based on in the budget. Mr. Cattaneo stated it is based on a 50% Ag allocation.

b. Consider Board Approval of 2024-2025 District Budget

With a motion by Director Tonascia and a second by Director Flores, the Board of Directors approved of the 2024-2025 District Budget with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

2. Consider Amending Resolution 2023-14 Regarding the District Policy on Restriction and Designation of District Net Assets/Cash

Mr. Miller also reviewed this item for the Board. He stated the Board takes this action annually to approve this policy. The only new item, per Mr. Miller, is the addition of the reliability charge. With no questions from the Board, a motion was made by Director Tonascia and seconded by Vice President Williams; the Board of Directors Approved Resolution 2023-14 *A Resolution of the Board of Directors of the San Benito County Water District Amending 2023-14 Regarding the District Policy on Restriction and Designation of District Net Assets/Cash* with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

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

Mr. Cattaneo stated he asked that this resolution be added to the agenda because he will be out of the country for about 2 ½ weeks and there may be a need for a wet signature on the bid documents for the West Hills expansion. He further added, it is a good idea for this item to be in place, anyway. Director Tonascia asked if the wording needed to include “interim” and Mr. Liem stated no. However, Mr. Liem has thought that perhaps some language should be added if there is a vacancy in the General Manager position, similar to what happened earlier this year. Discussion ensued about this addition and Mr. Liem provided the following language, “or if there is a vacancy”. In the third paragraph, “that the District hereby affirms that when the General Manager is absent from the

District, otherwise unavailable, *or if there is a vacancy*, the Manager of Administration, Finance and Business Services... Director Flores asked what the time frame for something like this would be. Mr. Cattaneo stated the Board could take action at either the next regular or at a special board meeting, appointing a new General Manager. With no further questions, a motion was made by Director Tonascia, incorporating the language provided by Counsel and the motion was seconded by Vice President Williams; the Board of Directors approved Resolution #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* with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

4. General Manager Report--Miscellaneous District Items

Mr. Cattaneo gave a brief update on the B F Sisk Negotiations meeting from last Thursday. His opinion is that it is a low risk for the District to move forward with it at this point. Next there will be a Spend Plan which will be a funding commitment. Mr. Cattaneo is hoping to have a presentation on the status for the Board before the end of October. He added, this may be an opportunity for the cheapest water storage in a very long time for the District. Discussion ensued about leasing out space and Mr. Cattaneo stated storage space will likely be able to be leased to outside agencies once the project goes on line.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 5:36 p.m.

Minutes were approved at the September 25, 2024 Board meeting and signed by the presiding board member.

/s/Andrew Shelton
Andrew Shelton, President

/s/Barbara L. Mauro
Barbara L. Mauro, Executive Assistant/Board Clerk