

REGULAR AGENDA

5. FYE 2023 Annual Comprehensive Financial Report and Audit

Ms. Holland introduced Ms. Kaufman from McGilloway, Ray, Brown & Kaufman who will make the presentation to the Board.

a. Presentation by McGilloway, Ray, Brown & Kaufman

Ms. Kaufman, using a PowerPoint presentation, stated the District had received an unmodified report, which is the best the District can receive. She further thanked the District staff for all their hard work. In 2022, the District received the GFOA Award of Excellence, and she sees no reason why it shouldn't receive it once again. Ms. Kaufman then reviewed the Basic Financial Statements and Required Supplementary Reports. She reported current assets were up approximately \$9 million as a result of a combination of increases in cashflow, investments and taxes. Non-current assets were down approximately \$1.8 million due to losses in CalPERS pool for the Pension Liability, but it is also a year behind. Current liabilities are up \$1.3 million, primarily due to the Highway 156 Cal Trans Project. She then reviewed the revenues and expenses and overall, the District is up \$5.5 million. Ms. Kaufman explained the debt covenant, as it is a provision of the bond.

President Shelton thanked the auditors and District staff for their hard work to finalize the FYE 2023 Audit.

b. Consider Acceptance and Authorize Distribution

With a motion by Director Flores and a second by Vice President Williams, the Board of Directors Accepted the FYE 2023 Annual Comprehensive Financial Report and Audit and Authorized Distribution with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

6. Consider Approval and Authorize Interim General Manager to sign Professional Services Contracts with WBCP, Inc. for Recruitment Selection of:

Mr. Cattaneo reported the District did an RFP process for recruiters for two positions, General Manager and District Engineer. The District received 4 responses; 1 came late, 1 didn't meet the standards set in the RFP and the other two, Alliance and WBCP, were interviewed by staff and the Personnel Committee. Based upon the interviews, the firm chosen was WBCP, Inc.

a. General Manager (NTE \$31,400)

With a motion by Director Tonascia and a second by Vice President Williams, the Board of Directors approved a contract with WBCP, Inc. for the recruitment for General Manager, not to exceed \$31,400, by 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

b. District Engineer (NTE \$31,400)

With a motion by Director Flores and a second by Director Wright, the Board of Directors approved a contract with WBCP, Inc. for the recruitment for District Engineer, not to exceed \$31,400, by 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

7. **Consider Resolution for the San Benito County Water District, Acting as the Groundwater Sustainability Agency for the North San Benito Groundwater Basin, Requesting the County of San Benito to Collect a Groundwater Management Fee on the Property Tax Rolls**

Mr. Cattaneo stated this is a routine item for the Board to approve annually, to have San Benito County collect the Groundwater Management Fee on the District's behalf. With a motion by Vice President Williams and a second by Director Tonascia, the Board of Directors approved Resolution #2024-24, *A Resolution of the Board of Directors of the San Benito County Water District, Acting as the Groundwater Sustainability Agency for the North San Benito Groundwater Basin, Requesting the County of San Benito to Collect a Groundwater Management Fee on the Property Tax Rolls* was approved by 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

8. **Consider Approval and Authorize Interim General Manager to Execute a Contract with Kennedy Jenks Inc. Consultants for Construction Management Services Related to West Hills Water Treatment Plant Expansion (NTE \$ 1,850,997 with 5% contingency of \$92,550)**

Mr. Cattaneo stated the District did an RFP for this agenda item and received 2 bids; one from MNS and one from Kennedy-Jenks. After reviewing both bids, staff interviewed both firms. Following the interviews, it was determined that while Kennedy-Jenks bid was higher by \$200,000, it was offset by their overall experience and staff felt they were the most qualified. Mr. Cattaneo added, they also had a deeper personnel pool to draw from. With a motion by Vice President Williams and a second by Director Wright, the Board of Directors Approved and Authorized the Interim General Manager to Execute a Contract with Kennedy/Jenks Inc. Consultants for Construction Management Services related to West Hills Water Treatment Plant Expansion (NTE \$1,850,997 with a 5% contingency of \$92,550) with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

9. **Consider Approval and Authorize Interim General Manager to Execute a Contract with Lidia Gutierrez Consultants for USBR WaterSmart Small Storage Grant Administration (NTE \$128,000)**

Mr. Cattaneo stated the District was awarded \$6.7 million by the USBR in March for the Small Storage Grant. Ms. Gutierrez has years of experience working with federal grants, which are much more complicated than the state grants. In order to meet all the requirements, staff is recommending the Board approve the contract with Gutierrez Consultants for grant administration for the USBR WaterSmart Small Storage Grant. With a motion by Vice President Williams and a second by Director Tonascia, the Board of Directors Approved and Authorized the Interim General Manager to Execute a Contract with Lidia Gutierrez Consultants for the USBR WaterSmart Small Storage Grant Administration (NTE \$128,000) with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

10. **Consider Approval of a Resolution to Award a Construction Contract in the Amount of \$146,850.00 to Bradley & Son's, Inc. for Hollister Aquifer Storage and Recovery Feasibility Exploratory Borehole 2.0 (Categorically Exempt from CEQA per California Code of Regulations Title 14 Section 15306)**

Mr. Macdonald reviewed this item for the Board. Following the bid process, the Board's action would be to accept the bid, award and execute a contract for the Exploratory Borehole Project. Mr. Macdonald further explained the need for the 20% contingency. There was discussion about the type of boring and size of casing. Also discussed was the location for the site as well as the depth needed for the boring. With a motion by Director Tonascia and a second by Director Flores, the Board of Directors approved Resolution #2024-25, *A Resolution of the Board of Directors of the San Benito County Water District Awarding a Construction Contract in the Amount of \$146,850 to Bradley & Son's, Inc. for Hollister Aquifer Storage and Recovery Feasibility Exploratory Borehole 2.0 (Categorically Exempt from CEQA per California Code of Regulations Title 14 Section 15306)* with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

11. **Consider Approval and Authorize Interim General Manager to Execute an Agreement with Todd Groundwater for Professional Services Associated with Aquifer Storage and Recovery Exploratory Boring, Fallon Road, San Benito County Water District (NTE \$40,000)**

Mr. Cattaneo stated this work would normally be covered by the SGMA Grant, but it was used for work done when the location was moved to Union Road. These funds are needed for work for the borehole well field data. With a motion by Director Flores and a second by Director Tonascia, the Board of Directors Approved and Authorized the Interim General Manager to Execute an Agreement with Todd Groundwater for Professional Services Associated with Aquifer Storage and Recovery Exploratory Boring, Fallon Road, San Benito County Water District (NTE \$40,000) with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.

12. **Discuss and Consider Resolution Adopting the 2024-2025 Salary Schedule to comply with California Public Employees' Retirement System (CALPERS) statutory and regulatory requirements for compensation earnable and publicly available pay schedules**

Ms. Holland stated this resolution for the salary schedules needs to be adopted prior to July 8th, when the MOU for SEIU has an increase. This resolution must be done each time there is a change to be in compliance with CalPERS. Mr. Liem added, it must be done anytime there is a modification, and it must be Board approved. With a motion by Vice President Williams and a second by Director Tonascia, the Board of Directors approved Resolution #2024-26, *A Resolution of the Board of Directors of the San Benito County Water District Adopting the 2024-2025 Salary Schedule to comply with California Public Employees' Retirement System (CALPERS) statutory and regulatory requirements for compensation earnable and publicly available pay scheduled with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.*

13. **Consider Resolution Amending Retired Annuitant Employment Agreement with Jeffrey Cattaneo**
Mr. Liem reviewed this item for the Board. At a Personnel Committee meeting last week, the committee agreed to increase the salary range in order to capture the highest qualified candidate. Discussion ensued with the committee, and they agreed Mr. Cattaneo currently is the most qualified for this position. As a result of this discussion, the committee is recommending making Mr. Cattaneo's pay equivalent to the maximum salary as approved by the Board for the position of General Manager. With a motion by Director Tonascia and a second by Director Flores, the Board of Directors approved Resolution #2024-27, *A Resolution of the Board of Directors of the San Benito County Water District Amending Annuitant Employment Agreement with Jeffrey Cattaneo* with 5 affirmative votes, Shelton, Williams, Flores, Tonascia and Wright.
14. **Committee/Agency Representative Reports:**
- a. **San Luis and Delta-Mendota Water Authority (Tonascia/Cattaneo)**
As per Director Tonascia, he had nothing to report.
 - b. **Finance Committee (Shelton/*Flores)**
As per Director Flores, this has been covered; he thanked staff for their hard work on the audit.
 - c. **Investment Committee (Flores/Williams)**
As per Director Williams, the committee reviewed the current investments. Mr. Cattaneo further reported the District currently has \$37 in L.A.I.F. and staff is recommending reinvesting all of the \$37 million in government bonds. He further explained how District investments work based on the District's Investment Policy.
 - d. **Personnel Committee (Flores/Tonascia)**
As per Director Flores and Tonascia, this has been covered.
15. **Monthly Operations and Maintenance Report**
There was no report given for this item.
16. **General Manager's Report:**
- a. **Reach 1 Operations**
As per Mr. Cattaneo, he had nothing to report at this time.
 - b. **Zone 3 Operations**
As per Mr. Cattaneo, there have been 3 minor leaks at the Paicines Canal. The largest leak is at the site where the District did the slurry repair. It is a slow leak and fortunately, the vineyard has pulled out their vines, so because there isn't urgency at the moment, Mr. Cattaneo wants to keep the water flowing for now. Dustin Franco will be going out there tomorrow and will check the water levels.
 - c. **Zone 6 Operations**
As per Mr. Cattaneo, the Ag allocation has been increased. District staff has turned the system around and right now, only the West Hills water treatment plant and Sub 10 are operating off of San Justo.

d. Accelerated Drought Response Project (ADRoP)

As per Mr. Cattaneo, staff is working on the USBR Grant; it will likely take 6-8 months to get the environmental work completed.

e. San Luis and Delta-Mendota Water Authority Activities

As per Mr. Cattaneo, he had nothing further to report.

f. City of San Juan Bautista Water Supply Plan

As per Mr. Cattaneo, a meeting was held today; the City of San Juan Bautista is likely receiving \$10 million from the government and the project total is approximately \$12-15 million. Staff is working on getting the agreement finalized for the reimbursement to the District. Director Flores asked how soon this would be completed. Mr. Cattaneo stated he would have to modify his original agreement as some details need to be worked out, such as the amount of capital that still needs to be determined and what portion of the depreciation fund that the COH/SSCWD has already paid into, that San Juan would need to pay.

g. B F Sisk Dam Raise Project

As per Mr. Cattaneo, progress is being made on the operations agreement, but now the Bureau is working on how to handle Project Water. Mr. Cattaneo explained the difference between Project Water, Non-Project Water and Acquired Project Water. Currently, the biggest concern is the largest participant is Valley Water and what would happen if they decided to pull out of the project. Mr. Cattaneo reported a series of meetings are scheduled over the next three weeks.

h. Miscellaneous District items

As per Mr. Cattaneo, he had nothing further to report at this time.

17. **CLOSED SESSION**

Public Employee Performance Evaluation

Title: Manager of Administration, Finance, and Business Services

Authority: California Government Code § 54957

18. **Public Employee Performance Evaluation**

Title: District Counsel

Authority: California Government Code § 54957

19. **Discuss Confidential Classification and Salary Step Adjustment for the Executive Assistant/Board Clerk Position as requested by SEIU § 54957.6 Designated Representative: Jeff Cattaneo**

(The Board convened in Closed Session at 6:06 p.m.)

20. **OPEN SESSION**

Report any action, if any, from Closed Session items

(The Board reconvened in Open Session at 7:00 p.m.)

As per President Shelton, there was no action to report from Closed Session.

21. **Adjournment**

With no further business to conduct, the meeting was adjourned at 7:01 p.m.

Minutes were approved at the July 31, 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