

**BOARD OF DIRECTORS
SAN BENITO COUNTY WATER DISTRICT
Agenda For
January 29, 2025
Regular Meeting – 5:00 p.m.
30 Mansfield Road – Hollister, California 95023**

Assistance for those with disabilities:

If you have a disability and need accommodation to participate in the meeting, please call Barbara Mauro, Executive Assistant/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/83797058855?pwd=GyFZYCBwn12XPHeileKZmLllagDDha.1>

Meeting ID

837 9705 8855

Passcode:

446047

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)
- +1 564 217 2000 US

If you plan to participate in the meeting and need assistance, please call
Barbara Mauro, Executive Assistant/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; rebuttal will be limited to 3 minutes; no new business agenda items will be heard after 8:00 p.m.
- d. Approval of Agenda
- e. Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda

(Consent items shall be considered as a whole and without discussion unless a particular item is removed from the consent agenda. Board member may discuss individual items or seek information from staff or legal counsel without removing the item from the Consent Agenda. A member of the public should seek recognition by the President if comment is desired. Approval of consent items shall be made by one motion.)

- ## REGULAR AGENDA

- 2

- c. Consider Resolution and Authorize Board President to sign said resolution, Approving of both B.F. Sisk Dam Raise and Reservoir Expansion Project Agreements
- 9. Consider Authorizing the Board President to Execute the Agreement between the San Benito County Water District and Sunnyslope Water District for the Export of Water from Zones 3 & 6
- 10. Staff Report on Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting, Twelve Year
- 11. Committee/Agency Representative Reports:
 - a. San Luis and Delta-Mendota Water Authority (Tonascia/Jacobson)
 - b. Administration Committee (Flores/Williams)
 - c. Finance Committee (Freeman/Tonascia)
 - d. Investment Committee (Flores/Williams)
- 12. Monthly Operations and Maintenance Report
- 13. General Manager's Report:
 - a) Reach 1 Operations
 - b) Zone 3 Operations
 - c) Zone 6 Operations
 - d) Accelerated Drought Response Project (ADRoP)
 - e) San Luis and Delta-Mendota Water Authority Activities
 - f) City of San Juan Bautista Water Supply Plan
 - g) B F Sisk Dam Raise Project
 - h) Miscellaneous District items
- 14. Adjournment

Adjournment - Unless there is a special meeting prior to that time, the next regular meeting of the Board will be Wednesday, February 26, 2025. Meetings are held at the District office, 30 Mansfield Road, Hollister, California. **LAST DAY TO FILE CLAIMS** against the District is the second Friday of each month, except in November and December. Usually meeting dates change in those months because of holidays. The Board may hold a closed session to discuss personnel matters, litigation or employee negotiations as authorized by the Ralph M. Brown Act, Evidence Code #950-962 or other appropriate State law.

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.

December 18, 2024
Regular Meeting
5:06 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, December 18, 2024 at 5:06 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: Vice President Doug Williams and Directors Sonny Flores, John Freeman. Director Mark Wright was absent and Director Joe Tonascia arrived late. Also present were General Manager Dana Jacobson, District Counsel Jeremy T. Liem, Assistant General Manager Brett Miller, Operations and Maintenance Manager Michael Craig, Water Resources Technician II Dustin Franco, Office Specialist I Shannon Darnall and Executive Assistant/Board Clerk Barbara Mauro. Jeff Cattaneo participated via Zoom.

CALL TO ORDER

The meeting was called to order at 5:06 p.m. by Vice President Williams.

- a. **Pledge of Allegiance to the Flag**
Vice President Williams called the meeting to order at 5:06 p.m.
- b. **Roll Call**
Mrs. Mauro called roll; members present were: Vice President Williams and Directors Flores, Freeman, Tonascia and Wright.
- c. **Speakers will be limited to 5 minutes to address the Board; rebuttal will be limited to 3 minutes; no new business agenda items will be heard after 8:00 p.m.**
- d. **Approval of Agenda**
It was noted an item needed to be added to the agenda. Under Agenda item #12 Committee/Agency Representative Reports, there needs to be a #d, Finance Committee Meeting. With this addition, a motion was made by Director Flores and seconded by Director Freeman, the Agenda was approved by 3 affirmative votes, Williams, Flores and Freeman and there were 2 absent, Tonascia and Wright.
- e. **Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda**
There were no public comments.

(Director Tonascia arrived at 5:08 p.m.)

CONSENT AGENDA:

1. **Approval of Minutes for: November 20, 2024 Regular Meeting**
2. **Allowance of Claims**
3. **Acknowledgement of Paid Claims prior to the December Board Meeting**
4. **On Call Contracts – Status Updates**
5. **Consider Resolution regarding Salary and Compensation for the Executive Management Group (Resolution #2024-46)**

With a motion by Director Freeman and a second by Director Flores, the Consent Agenda was approved by 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absent, Wright.

REGULAR AGENDA

6. Consider Resolution Recognizing Andrew Shelton for his Service to the District

The Board and District staff thanked Mr. Shelton for his Service to the District as a board member. Vice President Williams presented Mr. Shelton with a plaque. With a motion by Director Freeman and a second by Director Flores, the Board of Directors approved Resolution #2024-46, *A Resolution of the Board of Directors of the San Benito County Water District Recognizing Andrew Shelton for his Service to the District* by 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absent, Wright.

7. Consider Approval of Non-Financial Worksite Agreement for the San Benito County WIOA Work Experience Program

Mr. Miller reviewed the agreement for work experience for the Board. He added it would be at no cost to the District, and the participants would learn how the district works and gain training from district staff. Directors Flores, Freeman and Tonascia all were familiar with the program and agreed it was a good opportunity.

With a motion by Director Tonascia and a second by Director Freeman, the Board of Directors approved the Non-Financial Worksite Agreement for the San Benito County WIOA Work Experience Program by 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absent, Wright.

8. Consider Resolution Establishing an Interim Policy on Rescheduling of Unused/Conserved Water

Mr. Cattaneo reviewed this item for the Board. He stated the District has done rescheduling in previous years, so customers could carry forward unused water into the next water year. He explained how the water was treated differently this year, as far as payment. The customers, since the water isn't paid for, would pay when water is used as well as paying the rescheduling fee.

Director Flores asked why the customers didn't pay for the water and has the District already paid for it? Mr. Cattaneo stated no, the District hasn't paid for the water, as it is being stored in San Luis Reservoir and the District only pays once it goes through Bifurcation.

With no further questions, a motion was made by Director Freeman and seconded by Director Flores; the Board of Directors approved Resolution #2024-48, *a Resolution of the Board of Directors of the San Benito County Water District Establishing an Interim Policy on Rescheduling for Unused/Conserved Water* by 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absent, Wright.

9. **Consider Resolution Approving a Software Service Agreement with Tyler Technologies for access to Tyler's Proprietary Software Product, ERP Pro**
Mr. Miller reviewed this item for the Board. The District's current software, Great Plains, will soon not be providing support. Mr. Miller is recommending Tyler Technologies. He is familiar with it and the City of Hollister and Sunnyslope County Water District both use it. He also recommends moving forward now so District staff can have training and staff would like to implement the new program for the fiscal year beginning this July. Mr. Miller stated the Finance Committee supported exploring a new option for the financial software.

Director Freeman asked if this is a web-based product. Cody Gunstenson, from Tyler Technologies, confirmed it is. Director Freeman further asked about security. Mr. Gunstenson stated Tyler takes security very seriously and stated it is fully secure. Mr. Miller added ACWA/JPIA has a cyber security division and is working on cyber insurance for the District.

With a motion by Director Tonascia and a second by Director Flores, the Board of Directors approved a Software Service Agreement with Tyler Technologies for access to Tyler's Proprietary Software Product, ERP Pro by 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absent, Wright.

10. **Consider Approving the Second Amended and Restated San Luis & Delta-Mendota Water Authority Joint Exercise of Powers Agreement**

Mr. Jacobson reviewed this item for the Board. He stated this is a clean-up item for San Luis & Delta Mendota Water Authority for some needed revisions to the JPA, mainly focusing on the Friant Water District and how the Authority and its members interact with Friant. He further added a majority of Authority members have already approved it but he was asked to have our Board approve and sign it.

With a motion by Director Tonascia and a second by Director Flores, the Board of Directors Approved the Second Amended and Restated San Luis & Delta-Mendota Water Authority Joint Exercise of Powers Agreement by 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absent, Wright.

11. **Mid Pacific Water Users Conference, January 29th through 31st, 2025 in Reno, Nevada**

a. Consider General Manager or Designee and Director Attendance

Mrs. Mauro reviewed this item for the Board. This is a budgeted item, and the District has allocated funds for the General Manager or his/her designee and 1 director to attend. If anyone is interested, she asked that they let her know so she can register them for the conference and reserve a hotel room.

12. **Committee/Agency Representative Reports:**

a. San Luis and Delta-Mendota Water Authority (Tonascia/Jacobson)

As per Director Tonascia, a finance meeting was held to discuss the budget.

- b. ACWA JPIA and ACWA Fall Conferences (Miller)**

Mr. Miller reported for ACWA/JPIA, the District was recognized for the Liability Program. Also, he is looking into Cyber Security Insurance which he feels will improve the safety at the District. Regarding ACWA, Mr. Miller reported they are changing their By Laws due to regulations in the Delta. There were discussions on Prop 218 and also how to implement rate changes so districts can prevent litigation.
 - c. Administration Committee (Flores/Williams)**

As per Director Flores, the SLDMWA agreement and the water transfer agreement were discussed.
 - d. Finance Committee (Flores/Tonascia)**

As per Directors Flores and Tonascia, the committee reviewed the Tyler agreement and received an update on the audit.
- 13. Monthly Operations and Maintenance Report**

Mr. Craig reviewed the current repair. Reviewing 2024, 29 valves were changed out, 26 check valves were changed out and 624 work orders were completed. He discussed how using NEXGEN helps with preventive maintenance rather than always having to be corrective.
- 14. General Manager's Report:**
 - a) Reach 1 Operations**

Mr. Jacobson stated there isn't much to report at this time.
 - b) Zone 3 Operations**
 - c) Zone 6 Operations**

Items b and c, per Mr. Jacobson, have already been covered.
 - d) Accelerated Drought Response Project (ADRoP)**

Mr. Jacobson reported HDR is working on the 60% design work for the pipeline and wells for the project. He further reported he will be attending meetings at the City of Hollister, Sunnyslope County Water District and the City of San Juan Bautista (COSJB) to review and get their approval on the Principles of Agreement. Mr. Jacobson also reported Kronick, Moscovitz, Tiedeman and Girard are working on a draft amendment to the Water Supply and Treatment Agreement, which he is hopeful will be approved in early 2025.
 - e) San Luis and Delta-Mendota Water Authority Activities**

Mr. Jacobson reported there will be a meeting on January 16, 2025, to discuss Delta Mendota subsidence.
 - f) City of San Juan Bautista Water Supply Plan**

Mr. Jacobson reported staff is working on an agreement for the pipeline from West Hills WTP to COSJB.

g) B F Sisk Dam Raise Project

Mr. Jacobson reported this is moving forward and there will be further negotiations over the next few weeks. He anticipates bringing an activity agreement to the Board for approval in January/February, which will be asking for a financial commitment of about \$220,000. He further reported our contribution could be around \$1 million by end of 2025.

h) Miscellaneous District items

Mr. Miller gave the status of the audit. He had hoped it would be considered at this meeting but the actuarial firm caused a delay. He anticipates approval at the regular January Board meeting.

Mr. Jacobson welcomed our new board member, John Freeman, representing the San Juan Bautista area.

15. Board Organization

Mrs. Mauro reviewed the process for nominating President and Vice President, which can be individual nominations or made as a slate for both positions.

Director Tonascia nominated Director Williams for President and Director Wright for Vice President; this nomination was seconded by Director Flores. The Board of Directors approved of Director Williams to be President and Director Wright to be Vice President, for the 2025 calendar year; this was approved by 4 affirmative votes, Williams, Flores, Freeman and Tonascia and there was 1 absent, Wright.

16. Adjournment

With no further business to discuss, the meeting was adjourned at 5:47 p.m.

Doug Williams, President

Barbara L. Mauro, Executive Assistant/Board Clerk

January 13, 2025
Special Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in special session on Monday, January 13, 2025 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Doug Williams, Vice President Mark Wright and Directors Sonny Flores, John Freeman and Joe Tonascia. Also present were General Manager Dana Jacobson, District Counsel Jeremy T. Liem, Assistant General Manager Brett Miller, Senior Engineer David Macdonald, Office Specialist I Shannon Darnall and Executive Assistant/Board Clerk Barbara Mauro. Jeff Cattaneo participated via Zoom.

CALL TO ORDER

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

- a. **Pledge of Allegiance to the Flag**
President Williams led the Pledge of Allegiance.
- b. **Roll Call**
Mrs. Mauro called roll; members present were: President Williams, Vice President Wright and Directors Flores, Freeman and Tonascia.
- c. **Approval of the Agenda**
With a motion by Director Tonascia and a second by Director Flores, the Agenda was approved by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.
- d. **Speakers will be limited to 5 minutes to address the Board**
There were no public comments.

CONSENT AGENDA

1. **Approval of Minutes** **Special Meeting** **December 9, 2024**
2. **Allowance of Claims**

With a motion by Director Freeman and a second by Vice President Wright, the Consent Agenda was approved by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

AGENDA ITEMS:

3. **Public Hearing regarding 2024 Annual Groundwater Report**
 - a. **Proof of Publication submitted on Notice of Public Hearing, Annual Groundwater Report**
Mrs. Mauro verified the proof of publication.
 - b. **Presentation of Report**
Mr. Cattaneo reviewed the District Act's requirement for the groundwater report. He further stated that in 2022, when the District became the Groundwater Sustainability Agency for San Benito County, the Annual Groundwater Report shifted to the March board meeting to comply with SGMA's requirement. The SGMA report is due annually on April 1st. To fulfill the District's Act

requirement of reporting groundwater conditions on the second Monday each year, the District's Engineer prepared a report to present at the public hearing. Mr. Cattaneo reviewed the highlights of his report which included the recommendations for the upcoming water year which are: purchase additional CVP water as available, maximize use of the reservoirs for the benefits of the District and its customers, continue percolation of the District's water supply and levy a groundwater charge. Because the groundwater charge sunsets each year, even though there are groundwater charges approved and in place, the Board must confirm these rates. Mr. Cattaneo added in 2023, the District changed the groundwater charge agriculture and municipal/industrial to be the same amount. The groundwater charge for the water year 2025/2026 will be \$14.31 per acre foot. Discussion ensued about how the rates were determined and Mr. Cattaneo stated they were generated from a water rate study. As this is the last year of a 3-year schedule of rates, a new rate study will be conducted and by mid-summer, determine a new rate, which will seek Board approval in January of 2026.

c. Questions of Directors

There were no questions from the directors.

d. Open Public Hearing

President Williams opened the Public Hearing.

e. Close Public Hearing or continue to later date

There were no questions from the public; President Williams then closed the Public Hearing.

f. Consider Adoption of Statement of Findings and Recommendations

With a motion by Director Tonascia and a second by Director Flores, the Board of Directors adopted the Statement of Findings and Recommendations by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

g. Consider Acceptance of 2024 District Engineer's Report on Annual Groundwater Conditions and Recommendation on Groundwater Charges

With a motion by Director Flores and a second by Vice President Wright, the Board of Directors accepted the 2024 District Engineer's Report on Annual Groundwater Conditions and Recommendation on Groundwater Charges by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

4. Consider Resolution Approving the Change of Authorized Bank Signers for Heritage Bank of Commerce

Mr. Miller reviewed this item for the Board. Currently, there are 2 past employees as the current signers at Heritage Bank of Commerce. This resolution authorizes he and Mr. Jacobson as the signers.

With no questions from the Board, a motion was made by Director Tonascia and seconded by Director Freeman; the Board of Directors approved Resolution #2025-01, *A Resolution of the Board of Directors of the San Benito County Water District Approving the Change of Authorized Bank Signers for Heritage Bank of Commerce* by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

5. Staff Report on Term Sheet for Financing of Accelerated Drought Response Project (ADRoP) and the Addition of San Juan Bautista to the Hollister Urban Area Water Supply and Treatment Agreement

Mr. Jacobson reviewed this item for the Board. Approximately 1 month ago, the Board approved the term sheet, and he has set up meetings with the other agencies for their approval. Tomorrow, Sunnyslope County Water District will consider the term sheet and on January 21st, the City of Hollister and the City of San Juan Bautista will consider it next. Mr. Jacobson further stated once the term sheet has been approved, the District will work on the amendment for the Water Supply and Treatment Agreement. The only change on the term sheet is that the pipeline to San Juan Bautista will be handled separately. Mr. Jacobson added the City Manager of Hollister asked the District to set up meetings with their council members to review this project and answer any questions. District staff is working to set these meetings up.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 5:20 p.m.

Doug Williams, President

Barbara L. Mauro, Executive Assistant/Board Clerk

System: 1/22/2025 9:53:37 A
User Date: 1/22/2025

San Benito County Water District
COMPUTER CHECK REGISTER
Payables Management

Page: 1
User ID: Leilani

Batch ID: CK012925
Batch Comment:

Audit Trail Code: PMCHK00001059
Posting Date: 1/29/2025

Checkbook: UB-CKG
* Voided Checks

Check #	Date	Payment Number	Vendor ID	Check Name	Amount
0059327	1/29/2025	033262	ATOOL	A Tool Shed	\$321.51
0059328	1/29/2025	033263	BEFOR	Before the Movie Inc	\$988.00
0059329	1/29/2025	033264	BRIGA	Brigantino Irrigation	\$13,542.70
0059330	1/29/2025	033265	CINTA	Cintas Corporation	\$469.38
0059331	1/29/2025	033266	CMANA	CM Analytical Inc	\$5,260.00
0059332	1/29/2025	033267	DAHL	DAHL Consultants	\$3,360.00
0059333	1/29/2025	033268	DOKKE	Dokken Engineering	\$460.00
0059334	1/29/2025	033269	DONCH	Don Chapin Company Inc	\$345.86
0059335	1/29/2025	033270	EBCO	EBCO Pest Control	\$66.00
0059336	1/29/2025	033271	EDGES	Edges Electrical Group	\$3,813.70
0059337	1/29/2025	033272	FASTE	Fastenal Company	\$499.10
0059338	1/29/2025	033273	FORDE	Ford Equipment Repair Co.	\$800.00
0059339	1/29/2025	033274	GOLDEN	Golden State Portables	\$900.00
0059340	1/29/2025	033275	GROSS	Grossmayer & Associates	\$942.50
0059341	1/29/2025	033276	HDRENG	HDR Engineering Inc	\$316,170.20
0059342	1/29/2025	033277	JOHNS	Johnson Lumber Company	\$49.87
0059343	1/29/2025	033278	JOHNSM	John Smith Landfill	\$24.32
0059344	1/29/2025	033279	KENNE	Kennedy/Jenks Consultants Inc.	\$729.49
0059345	1/29/2025	033280	NEWSV	New SV Media Inc	\$93.20
0059346	1/29/2025	033281	PALAC	Palace Business Solutions	\$478.13
0059347	1/29/2025	033282	RAFTE	Raftelis	\$1,696.25
0059348	1/29/2025	033283	RESER	Reserve Account	\$1,000.00
0059349	1/29/2025	033284	SBENG	San Benito Engineering	\$12,700.00
0059350	1/29/2025	033285	SPEDEE	SpeeDee Oil Change and Tune Up	\$109.30
0059351	1/29/2025	033286	SPURZ	Spurzem & Liem LLP	\$1,135.00
0059352	1/29/2025	033287	SSCWD-TP	Sunnyslope County Water District	\$281,150.85
0059353	1/29/2025	033288	TURBO	Turbo Time Welding	\$750.00
0059354	1/29/2025	033289	USBNK-CC	US Bank Corporation	\$10,077.39
0059355	1/29/2025	033290	WEIST	Weist Law LLP	\$525.00
0059356	1/29/2025	033291	WRIWE	Wright Bros Welding	\$3,122.66

Total Checks: 30

Checks Total: \$661,580.41
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* Voided Checks

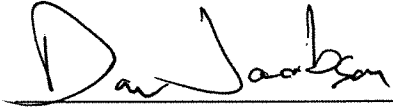
Check #	Date	Payment Number	Vendor ID	Check Name	Amount
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STATE OF CALIFORNIA
COUNTY OF SAN BENITO

I DO HEREBY CERTIFY, UNDER THE PENALTY OF PERJURY AT HOLLISTER, CALIFORNIA
THIS 29TH DAY OF JANUARY 2025 THAT THE FOREGOING DEMANDS ENUMERATED HAVE
BEEN AUDITED; THAT THE SAME ARE ACCURATE AND JUST CLAIMS AGAINST THE DISTRICT;
AND THAT THERE ARE FUNDS AVAILABLE FOR PAYMENT.



Prepared by: Assistant General Manager



Submitted by: General Manager

APPROVED BY BOARD OF DIRECTORS ON: _____
Date

President

Payment Fund Responsibility

Page 1 of 11

Payment#	Date	Check Total	Vendor ID	Vendor Name				
033262	1/22/2025	\$321.51	ATOOL	A Tool Shed				
Voucher:	051560	Invoice:	1727473-7	Date:	1/9/2025	Maintenance Equipment Rental	Doc Amt:	\$321.51
		Allocations:	\$321.51	600-6450-0920-542		Tool & Equipment Rental-Subsystem Breaks		

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$321.51
Fund 700: \$0.00 Fund 803:\$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name				
033263	1/22/2025	\$988.00	BEFOR	Before the Movie Inc				
Voucher:	051561	Invoice:	54211	Date:	1/1/2025	On-Screen Ad	Doc Amt:	\$988.00
		Allocations:	\$438.00	803-6865-0000-562		Advertising/Public Info (PI)		
		Allocations:	\$550.00	803-6865-0000-562		Advertising/Public Info (PI)		

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$0.00
Fund 700: \$0.00 Fund 803:\$988.00

Payment#	Date	Check Total	Vendor ID	Vendor Name				
033264	1/22/2025	\$13,542.70	BRIGA	Brigantino Irrigation				
Voucher:	051562	Invoice:	220000093544	Date:	12/10/2024	Maintenance Supplies	Doc Amt:	\$31.55
		Allocations:	\$31.55	600-6320-0000-542		Supplies-TM		
Voucher:	051563	Invoice:	220000093670	Date:	12/11/2024	Maintenance Supplies	Doc Amt:	\$1,804.08
		Allocations:	\$1,804.08	600-6320-0000-542		Supplies-TM		
Voucher:	051564	Invoice:	220000094359	Date:	12/20/2024	Maintenance Supplies	Doc Amt:	\$4,368.78
		Allocations:	\$4,368.78	600-6320-0000-542		Supplies-TM		
Voucher:	051565	Invoice:	INV-24732	Date:	12/11/2024	Maintenance Supplies	Doc Amt:	\$6,982.32
		Allocations:	\$6,982.32	600-6320-0000-542		Supplies-TM		
Voucher:	051612	Invoice:	220000095925	Date:	1/15/2025	District Supplies	Doc Amt:	\$304.74
		Allocations:	\$304.74	600-6320-0000-542		Supplies-TM		
Voucher:	051613	Invoice:	220000095977	Date:	1/15/2025	District Supplies	Doc Amt:	\$51.23
		Allocations:	\$51.23	600-6320-0000-542		Supplies-TM		

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$13,542.70
Fund 700: \$0.00 Fund 803:\$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name		
033265	1/22/2025	\$469.38	CINTA	Cintas Corporation		
Voucher:	051566	Invoice: 4216355780	Date: 12/31/2024	Weekly Service	Doc Amt:	\$156.46
	Allocations:	\$15.65	100-6275-0000-563-06	CS-Maint 10/5/85		
	Allocations:	\$7.82	300-6275-0000-563-06	CS-Maint 10/5/85		
	Allocations:	\$132.99	600-6275-0000-563-06	CS-Maint 10/5/85		
Voucher:	051598	Invoice: 4217762020	Date: 1/14/2025	Weekly Service	Doc Amt:	\$156.46
	Allocations:	\$15.65	100-6275-0000-563-06	CS-Maint 10/5/85		
	Allocations:	\$7.82	300-6275-0000-563-06	CS-Maint 10/5/85		
	Allocations:	\$132.99	600-6275-0000-563-06	CS-Maint 10/5/85		
Voucher:	051624	Invoice: 4218508300	Date: 1/21/2025	Weekly Service	Doc Amt:	\$156.46
	Allocations:	\$15.65	100-6275-0000-563-06	CS-Maint 10/5/85		
	Allocations:	\$7.82	300-6275-0000-563-06	CS-Maint 10/5/85		
	Allocations:	\$132.99	600-6275-0000-563-06	CS-Maint 10/5/85		

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$46.94 Fund 300: \$23.47 Fund 600: \$398.97
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name		
033266	1/22/2025	\$5,260.00	CMANA	CM Analytical Inc		
Voucher:	051599	Invoice: 83780	Date: 12/31/2024	Water Quality Testing	Doc Amt:	\$5,260.00
	Allocations:	\$1,260.00	600-6270-0135-511	CS Ops-Water Quality Grwtr-SSO		
	Allocations:	\$140.00	300-6270-0135-511	CS-Ops-Water Quality Groundwater-SSO		
	Allocations:	\$1,040.00	600-6270-0000-541	CS-Operations-TO		
	Allocations:	\$2,820.00	700-6270-0135-511	CS-Ops-Water Quality Groundwater-SSO		

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$140.00 Fund 600: \$2,300.00
Fund 700: \$2,820.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name		
033267	1/22/2025	\$3,360.00	DAHL	DAHL Consultants		
Voucher:	051585	Invoice: 1476	Date: 1/10/2025	Project Management for ADROp	Doc Amt:	\$3,360.00
	Allocations:	\$3,360.00	600-1351-0168-151	Pajaro Watershed IRWMP		

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$3,360.00
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name		
033268	1/22/2025	\$460.00	DOKKE	Dokken Engineering		
Voucher:	051616	Invoice: 48021	Date: 1/8/2025	Engineering Services	Doc Amt:	\$460.00
	Allocations:	\$460.00	600-1351-0168-151	Pajaro Watershed IRWMP		

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$460.00
 Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033269	1/22/2025	\$345.86	DONCH	Don Chapin Company Inc

Voucher: 051567 Invoice: 191088 Date: 12/3/2024 Maintenance Supplies Doc Amt: \$345.86
 Allocations: \$345.86 600-6320-0920-542 Supplies-TM - Subsystem Breaks

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$345.86
 Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033270	1/22/2025	\$66.00	EBCO	EBCO Pest Control

Voucher: 051568 Invoice: 22860 Date: 1/1/2025 Monthly Pest Control Doc Amt: \$66.00
 Allocations: \$6.60 100-6275-0000-563-06 CS-Maint 10/5/85
 Allocations: \$3.30 300-6275-0000-563-06 CS-Maint 10/5/85
 Allocations: \$56.10 600-6275-0000-563-06 CS-Maint 10/5/85

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$6.60 Fund 300: \$3.30 Fund 600: \$56.10
 Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033271	1/22/2025	\$3,813.70	EDGES	Edges Electrical Group

Voucher: 051600 Invoice: \$6319019.001 Date: 1/10/2025 Electrical Supplies Doc Amt: \$6,217.78
 Allocations: \$6,217.78 600-6321-0000-522 Supplies - Structure Equipment PM

Voucher: 051601 Invoice: \$6292302.002 Date: 12/27/2024 Electrical Supplies Doc Amt: -\$2,404.08
 Allocations: -\$2,404.08 600-6321-0000-522 Supplies - Structure Equipment PM

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$3,813.70
 Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033272	1/22/2025	\$499.10	FASTE	Fastenal Company

Voucher: 051610 Invoice: CAHOS67707 Date: 1/2/2025 Maintenance Supplies Doc Amt: \$499.10
 Allocations: \$499.10 600-6320-0000-542 Supplies-TM

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$499.10
 Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033273	1/22/2025	\$800.00	FORDE	Ford Equipment Repair Co.

Voucher: 051608 Invoice: 4116 Date: 1/6/2025 Maintenance-Heavy Equipment Doc Amt: \$800.00
 Allocations: \$800.00 600-6482-0000-562 Equipment Maintenance-Heavy

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$800.00
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name			
033274	1/22/2025	\$900.00	GOLDEN	Golden State Portables			
Voucher:	051586	Invoice: 56696		Date: 1/1/2025	Portable Toilet Rental	Doc Amt:	\$450.00
		Allocations:	\$450.00	600-6275-0000-542	CS-Maintenance-TM		
Voucher:	051587	Invoice: 56697		Date: 1/1/2025	Portable Toilet Rental	Doc Amt:	\$450.00
		Allocations:	\$450.00	600-6275-0000-542	CS-Maintenance-TM		

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$900.00
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name			
033275	1/22/2025	\$942.50	GROSS	Grossmayer & Associates			
Voucher:	051602	Invoice: IVC3825		Date: 1/9/2025	Consulting Services	Doc Amt:	\$942.50
		Allocations:	\$94.25	100-6260-0000-563-06	CS-Computer (10/5/85)		
		Allocations:	\$47.13	300-6260-0000-563-06	CS-Computer (10/5/85)		
		Allocations:	\$801.13	600-6260-0000-563-06	CS-Computer (10/5/85)		

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$94.25 Fund 300: \$47.13 Fund 600: \$801.13
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name			
033276	1/22/2025	\$316,170.20	HDRENG	HDR Engineering Inc			
Voucher:	051603	Invoice: 1200682574		Date: 12/26/2024	Engineering Services	Doc Amt:	\$316,170.20
		Allocations:	\$316,170.20	600-1351-0168-151	Pajaro Watershed IRWMP		

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$316,170.20
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name			
033277	1/22/2025	\$49.87	JOHNS	Johnson Lumber Company			
Voucher:	051570	Invoice: 280700		Date: 1/8/2025	Maintenance Supplies	Doc Amt:	\$32.75
		Allocations:	\$32.75	600-6320-0000-542	Supplies-TM		
Voucher:	051571	Invoice: 280627		Date: 1/6/2025	District Supplies	Doc Amt:	\$14.40
		Allocations:	\$12.24	600-6835-0000-562-06	Office Supplies 10/5/85 GA		
		Allocations:	\$0.72	300-6835-0000-562-06	Office Supplies 10/5/85 GA		
		Allocations:	\$1.44	100-6835-0000-562-06	Office Supplies 10/5/85 GA		
Voucher:	051572	Invoice: 280658		Date: 1/6/2025	District Supplies	Doc Amt:	\$2.72
		Allocations:	\$2.31	600-6835-0000-562-06	Office Supplies 10/5/85 GA		

Allocations: \$0.14 300-6835-0000-562-06 Office Supplies 10/5/85 GA
 Allocations: \$0.27 100-6835-0000-562-06 Office Supplies 10/5/85 GA

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$1.71 Fund 300: \$0.86 Fund 600: \$47.30
 Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033278	1/22/2025	\$24.32	JOHNSM	John Smith Landfill

Voucher: 051573 Invoice: 01-01079281 Date: 1/9/2025 Dump Fee Doc Amt: \$24.32
 Allocations: \$24.32 600-6860-0000-542 Utilities-Disposal fees

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$24.32
 Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033279	1/22/2025	\$729.49	KENNE	Kennedy/Jenks Consultants Inc.

Voucher: 051615 Invoice: 177214 Date: 1/14/2025 Engineering Services Doc Amt: \$729.49
 Allocations: \$729.49 600-1351-C129-151 Grant Expense - ADRoP (DWR \$11.5 M)

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$729.49
 Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033280	1/22/2025	\$93.20	NEWSV	New SV Media, Inc

Voucher: 051604 Invoice: 132143 Date: 1/2/2025 1/3/25 Public Notice Doc Amt: \$93.20
 Allocations: \$93.20 600-6865-0000-562 Advertising/Public Info

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$93.20
 Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033281	1/22/2025	\$478.13	PALAC	Palace Business Solutions

Voucher: 051574 Invoice: 2399635-0 Date: 1/8/2025 Office Supplies Doc Amt: \$71.55
 Allocations: \$60.82 600-6835-0000-562-06 Office Supplies 10/5/85 GA
 Allocations: \$3.58 300-6835-0000-562-06 Office Supplies 10/5/85 GA
 Allocations: \$7.16 100-6835-0000-562-06 Office Supplies 10/5/85 GA

Voucher: 051575 Invoice: 2400311-0 Date: 1/10/2025 Office Supplies Doc Amt: \$335.03
 Allocations: \$284.78 600-6835-0000-562-06 Office Supplies 10/5/85 GA
 Allocations: \$16.75 300-6835-0000-562-06 Office Supplies 10/5/85 GA
 Allocations: \$33.50 100-6835-0000-562-06 Office Supplies 10/5/85 GA

Voucher: 051576 Invoice: 2399635-1 Date: 1/10/2025 Office Supplies Doc Amt: \$71.55
 Allocations: \$60.82 600-6835-0000-562-06 Office Supplies 10/5/85 GA
 Allocations: \$3.58 300-6835-0000-562-06 Office Supplies 10/5/85 GA

Allocations: \$7.16 100-6835-0000-562-06 Office Supplies 10/5/85 GA

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$47.81 Fund 300: \$23.91 Fund 600: \$406.41
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033282	1/22/2025	\$1,696.25	RAFTE	Raftelis
Voucher:	051589	Invoice: 37345	Date: 1/13/2025	Consulting Services
	Allocations:	\$1,696.25	600-1351-0168-151	Pajaro Watershed IRWMP
				Doc Amt: \$1,696.25

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$1,696.25
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033283	1/22/2025	\$1,000.00	RESER	Reserve Account
Voucher:	051588	Invoice: 011325	Date: 1/13/2025	Postage On Account
	Allocations:	\$970.00	600-6825-0000-562-06	Postage 2/1/97
	Allocations:	\$20.00	100-6825-0000-562-06	Postage 2/1/97
	Allocations:	\$10.00	300-6825-0000-562-06	Postage 2/1/97
				Doc Amt: \$1,000.00

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$20.00 Fund 300: \$10.00 Fund 600: \$970.00
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033284	1/22/2025	\$12,700.00	SBENG	San Benito Engineering
Voucher:	051611	Invoice: 7816	Date: 12/12/2024	Engineering Services
	Allocations:	\$12,700.00	300-6220-0000-511	CS-Engineering-SS0
				Doc Amt: \$12,700.00

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$12,700.00 Fund 600: \$0.00
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033285	1/22/2025	\$109.30	SPEEDEE	Speedee Oil Change and Tune Up
Voucher:	051577	Invoice: 350130	Date: 1/7/2025	Vehicle Maintenance #19
	Allocations:	\$109.30	600-6460-0000-562	Vehicle Maintenance-GA
				Doc Amt: \$109.30

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$109.30
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033286	1/22/2025	\$1,135.00	SPURZ	Spurzem & Liem LLP
Voucher:	051605	Invoice: 63581	Date: 1/8/2025	Legal Services
	Allocations:	\$99.50	100-6210-0000-563-06	CS-Legal GA 10/5/85
	Allocations:	\$49.75	300-6210-0000-563-06	CS-Legal GA 10/5/85
				Doc Amt: \$1,135.00

Allocations: \$845.75 600-6210-0000-563-06 CS-Legal GA 10/5/85

Allocations: \$140.00 600-6210-0000-563 CS-Legal-GA

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$99.50 Fund 300: \$49.75 Fund 600: \$985.75
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033287	1/22/2025	\$281,150.85	SSCWD-TP	Sunnyslope County Water District
Voucher: 051596	Invoice: INV00265	Date: 12/31/2024	Plant Operations- West Hills	Doc Amt: \$227,217.61
Allocations:	\$227,217.61	600-6270-0603-531	CS Operations - West Hills WTP	

Voucher: 051597	Invoice: INV00266	Date: 12/31/2024	Plant Operations- Lessalt	Doc Amt: \$53,933.24
Allocations:	\$53,933.24	600-6270-0602-531	CS Operations - Lessalt WTP	

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$281,150.85
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033288	1/22/2025	\$750.00	TURBO	Turbo Time Welding
Voucher: 051609	Invoice: 46	Date: 1/15/2025	Welding Services	Doc Amt: \$750.00
Allocations:	\$750.00	600-6275-0920-542	CS Maintenance TDM-Subsystem Breaks	

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$750.00
Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033289	1/22/2025	\$10,077.39	USBK-CC	U.S. Bank Corporation
Voucher: 051578	Invoice: 122324MC	Date: 12/23/2024	Monthly Statement	Doc Amt: \$7,505.80
Allocations:	\$365.86	600-6197-0000-565	Personal Equipment/Uniform	
Allocations:	\$376.45	600-6320-0000-542	Supplies-TM	
Allocations:	\$234.38	600-6320-0000-542	Supplies-TM	
Allocations:	\$558.02	600-6320-0000-542	Supplies-TM	
Allocations:	\$181.07	600-6321-0000-542	Supplies-Structure Equip TDM	
Allocations:	\$121.16	600-6320-0000-542	Supplies-TM	
Allocations:	\$54.55	600-6320-0000-542	Supplies-TM	
Allocations:	\$151.23	600-6320-0000-542	Supplies-TM	
Allocations:	\$196.25	600-6320-0000-542	Supplies-TM	
Allocations:	\$135.29	600-6320-0000-542	Supplies-TM	
Allocations:	\$9.54	300-6320-0000-562-06	Supplies-GA 10/5/85	

Allocations:	\$162.16	600-6320-0000-562-06	Supplies-GA 10/5/85
Allocations:	\$19.08	100-6320-0000-562-06	Supplies-GA 10/5/85
Allocations:	\$4,705.18	600-6320-0000-542	Supplies-TM
Allocations:	\$174.99	600-6320-0000-542	Supplies-TM
Allocations:	\$60.59	600-6320-0000-542	Supplies-TM

Voucher: 051579 Invoice: 122324BM Date: 12/23/2024 Monthly Statement Doc Amt: \$2,631.60

Allocations:	\$3.86	600-6840-0000-562-06	Communication GA 10/5/85
Allocations:	\$0.45	100-6840-0000-562-06	Communication GA 10/5/85
Allocations:	\$0.23	300-6840-0000-562-06	Communication GA 10/5/85
Allocations:	\$37.13	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$4.37	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$2.18	300-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$25.97	600-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$1.53	300-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$3.06	100-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$72.34	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$8.51	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$4.26	300-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$18.35	600-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$1.08	300-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$2.16	100-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$14.36	300-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	\$244.11	600-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	\$28.72	100-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	\$14.36	300-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	\$244.11	600-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	\$28.72	100-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	\$285.72	700-6240-0160-511	CS-Annual Grwtr Report-SSO
Allocations:	\$26.34	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$3.10	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$1.55	300-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$25.96	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$3.05	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$1.53	300-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$23.50	100-6820-0000-562-06	Dues and Fees 10/5/85
Allocations:	\$11.75	300-6820-0000-562-06	Dues and Fees 10/5/85
Allocations:	\$199.75	600-6820-0000-562-06	Dues and Fees 10/5/85
Allocations:	\$32.49	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$3.82	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$1.91	300-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$6.78	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$0.80	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	\$0.40	300-6845-0000-562-06	General Business Exp 10/5/85

Allocations:	\$13.80	600-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$0.81	300-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$1.62	100-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$86.58	803-6320-0000-562	Supplies (WC)
Allocations:	\$100.91	600-6840-0000-562-06	Communication GA 10/5/85
Allocations:	\$11.87	100-6840-0000-562-06	Communication GA 10/5/85
Allocations:	\$5.94	300-6840-0000-562-06	Communication GA 10/5/85
Allocations:	\$85.75	100-6440-0000-562-06	Office Furn/Equipment Purchase 10/5/85
Allocations:	\$42.88	300-6440-0000-562-06	Office Furn/Equipment Purchase 10/5/85
Allocations:	\$728.90	600-6440-0000-562-06	Office Furn/Equipment Purchase 10/5/85
Allocations:	\$1.00	100-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	\$0.50	300-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	\$8.49	600-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	\$1.05	100-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	\$0.53	300-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	\$8.96	600-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	\$3.14	100-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	\$1.57	300-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	\$26.72	600-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	\$18.26	600-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$1.07	300-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$2.15	100-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	\$90.80	600-6850-0000-562	Travel and Mileage

Voucher:	051580	Invoice:	122324JAC	Date:	12/23/2024 Monthly Statement	Doc Amt:	\$218.14
		Allocations:	\$9.28	803-6865-0000-562	Advertising/Public Info (PI)		
		Allocations:	\$73.18	803-6865-0000-562	Advertising/Public Info (PI)		
		Allocations:	\$43.69	600-6835-0000-562	Office Supplies		
		Allocations:	\$20.44	600-6835-0000-562	Office Supplies		
		Allocations:	\$6.00	600-6835-0000-562	Office Supplies		
		Allocations:	\$65.55	600-6835-0000-562	Office Supplies		

Voucher:	051581	Invoice:	122324DJ	Date:	12/23/2024 Monthly Statement	Doc Amt:	\$1,548.64
		Allocations:	\$1,299.00	600-6820-0000-562	Dues and Fee		
		Allocations:	\$48.45	600-6196-0000-565-06	Physical Exams/Drug Tsting 10/5/85		
		Allocations:	\$5.70	100-6196-0000-565-06	Physical Exams/Drug Tsting 10/5/85		
		Allocations:	\$2.85	300-6196-0000-565-06	Physical Exams/Drug Tsting 10/5/85		
		Allocations:	\$17.14	600-6850-0000-562	Travel and Mileage		
		Allocations:	\$175.50	600-6850-0000-562	Travel and Mileage		

Voucher:	051583	Invoice:	CM122324BIM	Date:	12/23/2024 Monthly Statement	Doc Amt:	-\$3,674.07
		Allocations:	-\$183.70	300-6850-0000-562-06	Travel & Mileage GA 10/5/85		

Allocations: -\$3,122.96 600-6850-0000-562-06 Travel & Mileage GA 10/5/85
 Allocations: -\$367.41 100-6850-0000-562-06 Travel & Mileage GA 10/5/85

Voucher: 051584 Invoice: CM122324MC Date: 12/23/2024 Monthly Statement Doc Amt: -\$29.36
 Allocations: -\$1.47 300-6850-0000-562-06 Travel & Mileage GA 10/5/85
 Allocations: -\$24.96 600-6850-0000-562-06 Travel & Mileage GA 10/5/85
 Allocations: -\$2.94 100-6850-0000-562-06 Travel & Mileage GA 10/5/85

Voucher: 051626 Invoice: 122324BIM Date: 12/23/2024 Monthly Statement Doc Amt: \$1,876.64
 Allocations: \$16.00 100-6820-0000-562-06 Dues and Fees 10/5/85
 Allocations: \$8.00 300-6820-0000-562-06 Dues and Fees 10/5/85
 Allocations: \$136.00 600-6820-0000-562-06 Dues and Fees 10/5/85

 Allocations: \$26.79 300-6850-0000-562-06 Travel & Mileage GA 10/5/85
 Allocations: \$455.45 600-6850-0000-562-06 Travel & Mileage GA 10/5/85
 Allocations: \$53.58 100-6850-0000-562-06 Travel & Mileage GA 10/5/85

 Allocations: \$6.00 300-6850-0000-562-06 Travel & Mileage GA 10/5/85
 Allocations: \$102.00 600-6850-0000-562-06 Travel & Mileage GA 10/5/85
 Allocations: \$12.00 100-6850-0000-562-06 Travel & Mileage GA 10/5/85

 Allocations: \$26.79 300-6850-0000-562-06 Travel & Mileage GA 10/5/85
 Allocations: \$455.45 600-6850-0000-562-06 Travel & Mileage GA 10/5/85
 Allocations: \$53.58 100-6850-0000-562-06 Travel & Mileage GA 10/5/85

 Allocations: \$52.50 100-6852-0000-562 Conferences
 Allocations: \$26.25 300-6852-0000-562 Conferences
 Allocations: \$446.25 600-6852-0000-562 Conferences

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$58.95 Fund 300: \$29.47 Fund 600: \$9,534.21
 Fund 700: \$285.72 Fund 803: \$169.04

Payment#	Date	Check Total	Vendor ID	Vendor Name
033290	1/22/2025	\$525.00	WEIST	Weist Law LLP

Voucher: 051590 Invoice: 2025-M104 Date: 1/13/2025 CDIAC Annual Debt Report Doc Amt: \$525.00
 Allocations: \$525.00 600-6820-0000-562 Dues and Fee

Payment Responsibilities:

Fund 000: \$0.00 Fund 100: \$0.00 Fund 300: \$0.00 Fund 600: \$525.00
 Fund 700: \$0.00 Fund 803: \$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033291	1/22/2025	\$3,122.66	WRIWE	Wright Bros Welding

Voucher: 051606 Invoice: 57111 Date: 12/9/2024 Welding Services Doc Amt: \$3,122.66
 Allocations: \$3,122.66 600-6275-0000-542 CS-Maintenance-TM

Payment Responsibilities:

Fund 000: \$0.00	Fund 100: \$0.00	Fund 300: \$0.00	Fund 600: \$3,122.66
Fund 700: \$0.00	Fund 803: \$0.00		

Report Totals, Payment Fund Responsibilities

Fund 000: \$0.00	Fund 100: \$375.76	Fund 300: \$13,027.88	Fund 600: \$643,914.01
Fund 700: \$3,105.72	Fund 803: \$1,157.04		

Fund 100 = District Administration
 Fund 300 = Zone 3
 Fund 600 = Zone 6
 Fund 700 = Zone GSA
 Fund 803 = Zone WRA

375.76+
13,027.88+
643,914.01+
3,105.72+
1,157.04+
661,580.41*

**San Benito County Water District
Agenda Transmittal**

Agenda Item: 3

Meeting Date: January 29, 2025

Submitted By: Leilani Vidal

Presented By: Dana Jacobson

Agenda Title: Acknowledgement of Paid Claims prior to the January 2024 Board Meeting

Detailed Description: This is a notification that the checks & wire transfers listed below were issued outside the normal claims process.

<i>Wire Transfers</i>				
Webster Bank	Wire Transfer	\$33,390.20	CalPERS UAL Bond (Interest Only)	01/06/25
USBR (pay.gov)	Wire Transfer	\$29,595.48	Water Payment	01/08/25

Financial Impact: X Yes No

Funding Source/ Recap:

Fiscal Year Budget as approved

Material Included for Information/Consideration:

Copy of Wire Transfer Request

Action Required: Resolution X Motion Review

Board Action

 Resolution No. Motion By Second By

Ayes Abstained

Noes Absent

Reagendized Date No Action Taken

Pay.gov payment requested

1/8/2025

Release date

1/9/2025

Vendor	Payment Recap date prepared	Invoice no.	Description	GL Account no.	Amount
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Aug usage / Nov prepay (2146) AF	600-5114-0000-513-07	\$ (53,735.84)
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Aug usage/Nov prepay 2283 AF	600-5110-0000-513-07	\$ 50,568.45
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Sep usage/Dec prepay (1533) AF	600-5114-0000-513-07	\$ (38,386.32)
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Sep usage/Dec prepay 243 AF	600-5110-0000-513-07	\$ 5,382.45
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Oct usage/Jan prepay 263 AF	600-5114-0000-513-07	\$ 6,585.52
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Oct usage/Jan prepay (222) AF	600-5110-0000-513-07	\$ (4,917.30)
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Nov usage/Feb prepay 858 AF	600-5114-0000-513-07	\$ 21,484.32
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Nov usage/Feb prepay (952) AF	600-5110-0000-513-07	\$ (21,086.80)
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Dec usage/Mar prepay 1525 AF	600-5114-0000-513-07	\$ 38,186.00
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Dec usage 525 AF	600-5250-0000-513-07	\$ 14,001.75
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Dec usage 525 AF	600-5251-0000-513-07	\$ 9,628.50
Bureau of Reclamation (USBR-LA)	1/7/2025	010725	Dec usage 525 AF	600-5251-0000-513-07	\$ 1,884.75
				Total payment amount	\$ 29,595.48

Online entry by:

Date

Daily Pay.gov total \$ 29,595.48

Wire Transfer Requested

1/6/2025

Release date

1/6/2025

Vendor	Invoice Date	Invoice no.	Description	GL Account no.	Amount
Webster Bank	12/18/2024	121824	CalPERS UAL Bond (interest only)	100-9503-0000-592-07	\$ 1,480.86
Webster Bank	12/18/2024	121824	CalPERS UAL Bond (interest only)	300-9503-0000-592-07	\$ 1,754.66
Webster Bank	12/18/2024	121824	CalPERS UAL Bond (interest only)	600-9503-0000-592-07	\$ 30,154.68
Total wire transfer					\$ 33,390.20

Daily wire activity total \$ 33,390.20

Online entry by:

Deborah Vidal

Date

1/6/25

Approved for release online by:

Kellie Labura

Date

1/6/25



Agenda

Item

4

BOARD AGENDA MEMO

DATE: January 22, 2025
TO: Board of Directors
FROM: Investment Committee (Sonny Flores/Doug Williams)
SUBJECT: Review of Quarterly Investment Report-Period ending
December 31, 2024

1. Quarterly Investment Report

a. Review of Investment Report

The Investment Committee reviewed the investment instruments making up the District's portfolio and the District's investment performance for the quarter ending December 31, 2024.

The committee has determined that the investments are being managed in compliance with the District's Board Investment Policy.

The committee has reviewed the projected cash requirements and has determined that the District has sufficient cash reserves available to meet its cash demands for the next six months and has sufficient funds in a second liquid account (in addition to LAIF) to cover at least two months of current District Expenses.



Director Sonny Flores



Director Doug Williams

SAN BENITO COUNTY WATER DISTRICT
QUARTERLY INVESTMENT REPORT

QUARTER ENDING

DECEMBER 31, 2024

Page no(s).	Title	Source
1	Quarterly Investment Report Recap	District Staff
2	Summary of Cash and Investments	District Staff
3	PMIA / LAIF Performance Report	California State Treasurer's Office
4	Summary of CalPERS CERBT Trust (OPEB)	District Staff
5	Investment Summary by Maturity Date	District Staff
6 - 17	Investment Statement	U.S. Bancorp Advisors (Investments)

January 10, 2025

Submitted by: Kelley Urbina, Accountant
Reviewed by: Brett Miller, Assistant General Manager

SAN BENITO COUNTY WATER DISTRICT

QUARTERLY INVESTMENT REPORT

QUARTER ENDING DECEMBER 31, 2024

Investment activity:

- The Local Agency Investment Fund's interest rate decreased from 4.575% at September 30, 2024 to 4.434% at December 31, 2024. The balance reflects interest earned for the prior quarter of \$330,605 and the current quarter net operating activity.
- The California Employers' Retirement Benefit Trust (CERBT) statement for the period October through December was not available as of this report date. The balance at September 30, 2024 was \$1,132,208.
- The U.S. Bancorp Advisors account statement is attached and reflects accrued interest and gain or loss. The portfolio value at December 31, 2024 was \$56,633,077.50.

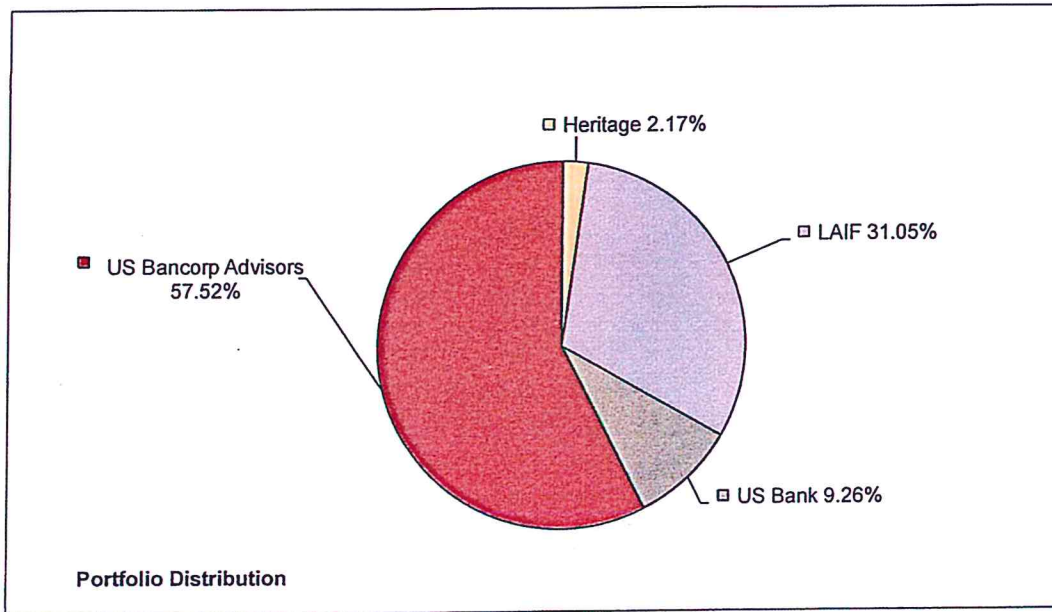
Liquidity Requirements:

There are adequate liquid reserves available in the LAIF account to fund six months of operating expenditures (\$5.0 million) as required in the Investment Policy, Section V., 2. In addition, the funds held in Heritage Bank are sufficient to cover at least two months of District expenses (\$1.7 million) which meets the Investment Policy requirements per Section IV., 1. b.

SAN BENITO COUNTY WATER DISTRICT
SUMMARY OF CASH AND INVESTMENTS
AS OF DECEMBER 31, 2024

CASH SUMMARY FOR ALL DISTRICT HELD ACCOUNTS (By Institution)							
	UNRESTRICTED			RESTRICTED			
Date	US Bank	LAIF	Heritage Bank *	U.S. Bancorp Advisors	LAIF Restricted Reserve	U.S. Bancorp Advisors	Total Cash and Investments
9/30/2024	2,170,769	21,376,318	2,131,763	37,078,059	325,000	28,778,301	91,860,209
12/31/2024	9,119,320	30,246,923	2,136,294	27,854,777	325,000	28,778,301	98,460,614
Net Change	\$ 6,948,551	\$ 8,870,605	\$ 4,531	\$ (9,223,282)	\$ -	\$ -	\$ 6,600,405

* Heritage Bank: November and December 2024 statements were unavailable. Balance shown is as of 10/31/24.



CASH SUMMARY BY ZONE OF BENEFIT							
Date		Zone 1	Zone 3	Zone 6	Sustainability	(Fiduciary Funds)	Investments
9/30/2024	End of quarter (as reported)	2,472,351	5,879,709	81,713,338	1,075,330	719,481	91,860,209
9/30/2024	Reclass by zone	633	(35)	(598)	-	-	91,860,209
12/31/2024	End of quarter	2,647,253	6,195,936	87,495,399	1,419,394	702,633	98,460,614
	Net Change	\$ 174,269	\$ 316,262	\$ 5,782,659	\$ 344,064	\$ (16,848)	\$ 6,600,405
	% of total cash (by Zone)	2.69%	6.29%	88.86%	1.44%	0.71%	

LOCAL AGENCY INVESTMENT FUND (LAIF)							
Activity for quarter							
Date		Zone 1	Zone 3	Zone 6	Sustainability	(Fiduciary Funds)	Overall Balance
9/30/2024	Balance forward:	\$ 2,412,914	\$ 5,860,425	\$ 12,196,503	702,704	528,772	\$ 21,701,318
9/30/2024	Reclass by zone						\$ 21,701,318
10/15/2024	Quarterly Interest	23,028	56,263	239,557	6,711	5,046	\$ 22,031,923
10/17/2024	Transfer in (out)	-	(20,000)	20,000	-	-	\$ 22,031,923
10/31/2024	Transfer in (out)		(90,000)	90,000			\$ 22,031,923
11/30/2024	Transfer in (out)	-		2,040,000	-	-	\$ 24,071,923
12/4/2024	Transfer in (out)	-		4,000,000	-	-	\$ 28,071,923
12/19/2024	Transfer in (out)	-		2,500,000	-	-	\$ 30,571,923
	BALANCE BY ZONE	\$ 2,435,942	\$ 5,806,688	\$ 21,086,060	\$ 709,416	\$ 533,818	\$ 30,571,923



PMIA/LAIF Performance Report as of 01/08/25



Quarterly Performance Quarter Ended 09/30/24

LAIF Apportionment Rate ⁽²⁾ :	4.71
LAIF Earnings Ratio ⁽²⁾ :	0.00012912073474208
LAIF Administrative Cost ^{(1)*} :	0.26
LAIF Fair Value Factor ⁽¹⁾ :	1.002061084
PMIA Daily ⁽¹⁾ :	4.58
PMIA Quarter to Date ⁽¹⁾ :	4.56
PMIA Average Life ⁽¹⁾ :	231

PMIA Average Monthly Effective Yields⁽¹⁾

December	4.434
November	4.477
October	4.518
September	4.575
August	4.579
July	4.516

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 11/30/24 \$146.8 billion

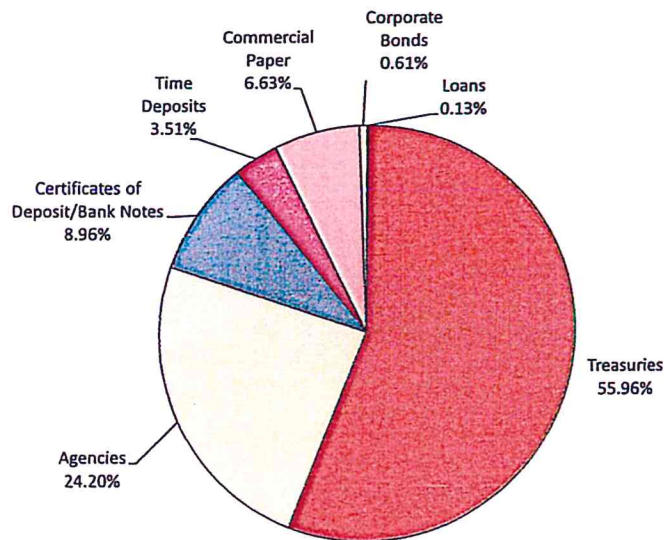


Chart does not include \$1,290,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

SAN BENITO COUNTY WATER DISTRICT
Summary
CALPERS California Employers' Retiree Benefit Trust (CERBT)
for Other Post Employment Benefits (OPEB)
as of December 31, 2024

DATE	INVESTMENT	WITHDRAWAL	GAIN / (LOSS)	BALANCE
10/1/2020				\$ -
11/20/2020	\$ 76,889			\$ 76,889
12/16/2020	\$ 76,889			\$ 153,778
12/31/2020			\$ 3,691	\$ 157,469
1/27/2021	\$ 76,889			\$ 234,358
2/24/2021	\$ 76,889			\$ 311,247
3/31/2021	\$ 76,889			\$ 388,136
3/31/2021			\$ 5,164	\$ 393,301
6/7/2021	\$ 76,889			\$ 470,190
6/8/2021	\$ 76,889			\$ 547,079
6/30/2021			\$ 23,558	\$ 570,636
7/20/2021	\$ 76,889			\$ 647,525
7/21/2021	\$ 76,889			\$ 724,414
8/26/2021	\$ 76,889			\$ 801,303
9/30/2021	\$ 76,889			\$ 878,192
9/30/2021			\$ (7,043)	\$ 871,149
10/29/2021	\$ 76,889			\$ 948,038
11/29/2021	\$ 76,889			\$ 1,024,927
12/31/2021			\$ 45,139	\$ 1,070,066
3/31/2022			\$ (50,287)	\$ 1,019,779
6/30/2022			\$ (132,418)	\$ 887,360
9/30/2022			\$ (64,577)	\$ 822,783
12/31/2022			\$ 56,209	\$ 878,992
3/31/2023			\$ 41,224	\$ 920,216
6/30/2023			\$ 23,697	\$ 943,914
9/30/2023			\$ (36,934)	\$ 906,980
12/31/2023			\$ 96,701	\$ 1,003,681
3/31/2024			\$ 35,893	\$ 1,039,574
6/30/2024			\$ 7,505	\$ 1,047,079
9/30/2024			\$ 85,129	\$ 1,132,208
12/31/2024 (*)				
TOTAL	\$ 999,557	\$ -	\$ 132,651	\$ 1,132,208

(*) End of quarter statement was not available from CERBT at time of this investment report. Investment gain or (loss) for the current quarter will be reported in the following quarter's investment report.

Investment Summary

Schedule by Maturity Date

Description	Symbol / Cusip	Maturity	Coupon Rate	Estimated Current Market Value as of 12/31/24
US Treasury AK-2025	91282CDZ1	2/15/2025	1.50000%	\$ 3,338,275.00
US Treasury Zero Coupon	912797KJ5	3/20/2025	0.00000%	\$ 4,955,350.00
US Treasury AN-2025	91282CEQ0	5/15/2025	2.75000%	\$ 1,989,000.00
US Treasury AD-2025	91282CAM3	9/30/2025	0.25000%	\$ 3,252,615.50
US Treasury V-2026	91282CBQ3	2/28/2026	0.50000%	\$ 3,209,534.50
US Treasury AP-2026	91282CHH7	6/15/2026	4.12500%	\$ 4,991,400.00
US Treasury N-2026	912828Y95	7/31/2026	1.87500%	\$ 3,229,902.50
US Treasury AJ-2027	91282CJT9	1/15/2027	4.00000%	\$ 4,975,400.00
Federal Home Loan CD-9027	3130ARUL3	5/18/2027	4.00000%	\$ 2,252,850.00
US Treasury AH-2028	91282CJR3	12/31/2028	3.75000%	\$ 24,438,750.00

Total \$ 56,633,077.50

Recent Redemptions

Description	Symbol / Cusip	Maturity	Coupon Rate	Amount Redeemed
US Treasury BL-2024	91282CFX4	11/30/2024	4.50000%	\$ 4,000,000.00
US Treasury Zero Coupon	912797LQ8	12/19/2024	0.00000%	\$ 2,500,000.00

Total \$ 6,500,000.00

ENV# CEBRCZWPBBHKFLB_BBBBB
U.S. BANCORP ADVISORS, LLC
PO BOX 513100
LOS ANGELES, CA 90051-1100

SAN BENITO COUNTY WATER DISTRICT
30 MANSFIELD RD
HOLLISTER CA 95023



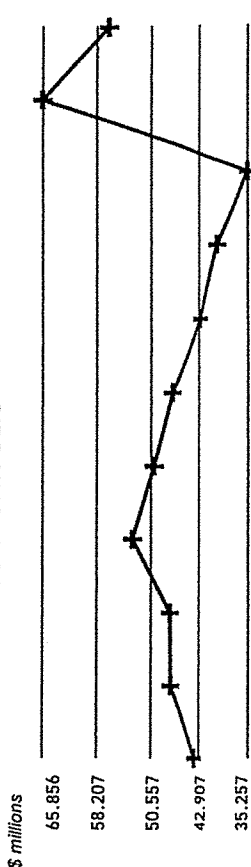
STATEMENT FOR THE PERIOD DECEMBER 1, 2024 TO DECEMBER 31, 2024

SAN BENITO COUNTY WATER DISTRICT - Corporation
Account Number: WBB-023302

INSTITUTIONAL SALES SPECIALIST
Mark Kreymer
RR#: 350
For questions about your accounts:
Local: 213 356 2367
In-State: 800 358 8771
National: 800 358 8771

BEGINNING VALUE OF YOUR PORTFOLIO \$63,292,120.50
TOTAL VALUE OF YOUR PORTFOLIO \$56,633,077.50

CHANGE IN VALUE OF YOUR PORTFOLIO



Change In Value Of Your Portfolio information can be found in Miscellaneous Footnotes at the end of this statement.

Account carried with National Financial Services LLC, Member
NYSE, SIPC

U.S. BANCORP ADVISORS
MN_CEBRCZWPBBHKFLB_BBBBB 20241231



Account Overview

CHANGE IN ACCOUNT VALUE	Current Period	Year-to-Date
BEGINNING VALUE	\$63,292,120.50	\$42,729,115.50
Additions and Withdrawals	(\$7,161,875.00)	\$12,102,109.29
Misc. & Corporate Actions	\$0.00	\$0.00
Income	\$689,680.56	\$1,582,011.81
Taxes, Fees and Expenses	\$0.00	\$0.00
Change in Value	(\$186,848.56)	\$219,840.90
ENDING VALUE (AS OF 12/31/24)	\$56,633,077.50	\$56,633,077.50
Total Accrued Interest	\$174,466.81	
Ending Value with Accrued Interest	\$56,807,544.31	

Refer to Miscellaneous Footnotes for more information on Change in Value.

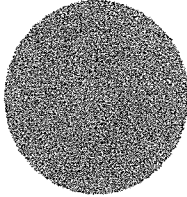
INCOME	Current Period	Year-to-Date
TAXABLE		
Taxable Interest	\$689,680.56	\$1,582,011.81
TOTAL TAXABLE	\$689,680.56	\$1,582,011.81
TOTAL INCOME	\$689,680.56	\$1,582,011.81

Taxable income is determined based on information available to NFS at the time the statement was prepared, and is subject to change. Final information on taxation of interest and dividends is available on Form 1099-Div, which is mailed in February of the subsequent year.

REALIZED GAIN (LOSS)	Current Period	Year-to-Date
Short Term Gain	\$14,375.00	\$14,375.00
Short Term Loss	\$0.00	\$0.00
Disallowed Short Term Loss	\$0.00	\$0.00
TOTAL SHORT TERM GAIN (LOSS)	\$14,375.00	\$14,375.00

U.S. BANCORP ADVISORS
MN_CEBRCZWPPBBHKFLB_BBBB 20241231

ACCOUNT ALLOCATION



U.S. Treasury / Agency Sec. 100.0%

U.S. Treasury / Agency Sec.	Percent	Prior Period	Current Period
	100.0 %	\$63,292,120.50	\$56,633,077.50
TOTAL	100.0 %	\$63,292,120.50	\$56,633,077.50

Account Allocation shows the percentage that each asset class represents of your total account value. Account Allocation for equities, fixed income, and other categories may include mutual funds and may be net of short positions. NFS has made assumptions concerning how certain mutual funds are allocated. Closed-end mutual funds and Exchange Traded Products (ETPs) listed on an exchange may be included in the equity allocation. The chart may not reflect your actual portfolio allocation. Consult your broker/dealer prior to making investment decisions.

Account carried with National Financial Services LLC, Member
NYSE, SIPC

Statement for the Period December 1, 2024 to December 31, 2024
SAN BENITO COUNTY WATER DISTRICT - Corporation
Account Number: WBB-023302



Account Overview *continued*

REALIZED GAIN (LOSS) <i>continued</i>	Current Period	Year-to-Date
Long Term Gain	\$0.00	\$346,718.74
Long Term Loss	\$0.00	\$0.00
Disallowed Long Term Loss	\$0.00	\$0.00
TOTAL LONG TERM GAIN (LOSS)	\$0.00	\$346,718.74

NFS-provided cost basis, realized gain (loss) and holding period information may not reflect all adjustments necessary for your tax reporting purposes. Please refer to Footnotes and Cost Basis Information at the end of this statement for more information.

MESSAGES AND ALERTS

Please make all check deposits/contributions payable to: NATIONAL FINANCIAL SRVS
----- If you have any problems, concerns or complaints with your U.S Bancorp
Advisors account or representative, you can contact us: 1. By mail at U.S. Bancorp Advisors,
Compliance Department P.O Box 513100, Los Angeles, CA 90051-1100. 2. By phone to our
Client Services Desk, toll-free within the U.S. at 800-634-1100, or outside the U.S. at
518-992-7557, and request to speak with Compliance regarding a customer complaint. 3. By
email at: USBA.compliance@usbank.com

SEC Rule 606 Annual Notification: Customers can request details of NMS stock and option
non-directed orders in NMS securities to obtain the identity of the market centers to which
their orders were routed for execution up to six months prior to their request, and the time of
the transactions, for example, order execution time, resulting from such orders, if any. If you
would like to request a report, please contact USBA Client Services at 800-634-1100.

U.S. BANCORP ADVISORS

MN_CEBRCZWPBBHKFLB_BBBB 20241231

Account carried with National Financial Services LLC, Member
NYSE, SIPC

S

Statement for the Period December 1, 2024 to December 31, 2024
SAN BENITO COUNTY WATER DISTRICT - Corporation
Account Number: WBB-023302



Holdings

NFS-provided cost basis, realized gain (loss) and holding period information may not reflect all adjustments necessary for tax purposes. Please refer to Footnotes and Cost Basis Information at the end of this statement for more information.

AI (Accrued Interest) - Represents interest accumulated since the last coupon date, but not yet paid by the Issuer or received by NFS. There is no guarantee that AI will be paid by the Issuer.

For additional information regarding your holdings, please refer to the footnotes at the end of the statement.

FIXED INCOME - 100.00% of Total Account Value

ALERT: You have a fixed income position due to mature within the next 90 days.

For an explanation of fixed income pricing, please see the last page. Redemption schedule(s), bond rating(s), and other information are provided where available. If information does not appear regarding a particular investment, it is not available.

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Description	Symbol/Cusip Account Type	Quantity	Estimated Price on 12/31/24	Estimated Current Market Value	Estimated Annual Income	Original/Adjusted Cost Basis	Unrealized Gain (Loss)
U.S. Treasury / Agency Securities							
UNITED STATES TREAS SER AK-2025 1.50000%	91282CDZ1	3,350,000	\$99.65	\$3,338,275.00	\$50,250.00	\$3,209,718.75	
02/15/2025 NTS NOTE	CASH						
MOODY'S Aaa							
CPN PMT SEMI-ANNUAL							
ON AUG 15, FEB 15							
Next Interest Payable: 02/15/25							
Accrued Interest							
Average Unit Cost							
Adjusted Cost Basis						\$3,209,718.75	\$128,556.25
Unrealized Market Discount Income	\$53,668.22	Q					

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Account carried with National Financial Services LLC, Member
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Statement for the Period December 1, 2024 to December 31, 2024
SAN BENITO COUNTY WATER DISTRICT - Corporation
Account Number: WBB-023302



FIXED INCOME *continued*

Description	Symbol/Cusip Account Type	Quantity	Estimated Price on 12/31/24	Estimated Current Market Value	Estimated Annual Income	Original/Adjusted Cost Basis	Unrealized Gain (Loss)
UNITED STATES TREAS BILLS ZERO CPN 0.00000% 03/20/2025 Average Unit Cost \$97.90	912797KJ5 CASH	5,000,000	\$99.107	\$4,955,350.00		\$4,895,097.22	\$60,252.78
UNITED STATES TREAS SER AN-2025 2.75000% 05/15/2025 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON NOV 15, MAY 15 Next Interest Payable: 05/15/25 Accrued Interest \$7140.88 Average Unit Cost \$100.01 Adjusted Cost Basis YTD Amortized Premium \$634.98 E	91282CE00 CASH	2,000,000	\$99.45	\$1,989,000.00	\$55,000.00	\$2,001,875.00	
UNITED STATES TREAS SER AD-2025 0.25000% 09/30/2025 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON MAR 31, SEP 31 Next Interest Payable: 03/30/25 Accrued Interest \$2139.77 Average Unit Cost \$90.84 Adjusted Cost Basis Unrealized Market Discount Income \$94,354.35 Q	91282CAM3 CASH	3,350,000	\$97.093	\$3,252,615.50	\$8,375.00	\$3,043,265.63	\$209,349.87
UNITED STATES TREAS SER V-2026 0.50000% 02/28/2026 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON AUG 31, FEB 31 Next Interest Payable: 02/28/25 Accrued Interest \$5691.29 Average Unit Cost \$90.50 Adjusted Cost Basis Unrealized Market Discount Income \$86,368.49 Q	91282CBQ3 CASH	3,350,000	\$95.807	\$3,209,534.50	\$16,750.00	\$3,031,750.00	\$177,784.50

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Statement for the Period December 1, 2024 to December 31, 2024
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FIXED INCOME continued

Description	Symbol/Cusip Account Type	Quantity	Estimated Price on 12/31/24	Estimated Current Market Value	Estimated Annual Income	Original/Adjusted Cost Basis	Unrealized Gain (Loss)
UNITED STATES TREAS SER AP-2026 4.12500% 06/15/2026 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON DEC 15, JUN 15 Next Interest Payable: 06/15/25 Accrued Interest \$9632.55 Average Unit Cost \$99.99 Adjusted Cost Basis	91282CHH7 CASH	5,000,000	\$99.828	\$4,991,400.00	\$206,250.00	\$4,999,609.38	
UNITED STATES TREAS SER N-2026 1.87500% 07/31/2026 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON JAN 31, JUL 31 Next Interest Payable: 01/31/25 Accrued Interest \$26285.66 Average Unit Cost \$94.69 Adjusted Cost Basis	912828Y95 CASH	3,350,000	\$96.415	\$3,229,902.50	\$62,812.50	\$3,172,031.25	(\$8,209.38)
UNITED STATES TREAS SER AJ-2027 4.00000% 01/15/2027 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON JUL 15, JAN 15 Next Interest Payable: 01/15/25 Accrued Interest \$92391.30 Average Unit Cost \$99.89 Adjusted Cost Basis	91282CJT9 CASH	5,000,000	\$99.508	\$4,975,400.00	\$200,000.00	\$4,994,531.25	\$57,871.25
FEDERAL HOME LOAN BA SER CD-9027 3.50000% 05/18/2027 MOODY'S Aaa /S&P AA+ CPN PMT SEMI-ANNUAL ON NOV 18, MAY 18 Next Interest Payable: 05/18/25 CALLABLE ON 02/18/2025 @ 100.0000 Accrued Interest \$9615.28 Average Unit Cost \$100.00	3130ARUL3 CASH	2,300,000	\$97.95	\$2,252,850.00	\$80,500.00	\$2,300,000.00	(\$19,131.25)

Statement for the Period December 1, 2024 to December 31, 2024
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FIXED INCOME <i>continued</i>							
Description	Symbol/Cusip Account Type	Quantity	Estimated Price on 12/31/24	Estimated Current Market Value	Estimated Annual Income	Original/Adjusted Cost Basis	Unrealized Gain (Loss)
FEDERAL HOME LOAN BA SER CD-9027	3130ARUL3	<i>continued</i>				\$2,300,000.00	D (\$47,150.00)
Adjusted Cost Basis						\$24,827,636.72	
UNITED STATES TREAS SER AH-2028 3.750000%	91282CJR3	25,000,000	\$97.755	\$24,438,750.00	\$937,500.00	\$24,827,636.72	
12/31/2028 NTS NOTE	CASH						
MOODY'S Aaa							
CPN PMT SEMI-ANNUAL							
ON JUN 30, DEC 30							
Next Interest Payable: 06/30/25							
Accrued Interest \$2589.78							
Average Unit Cost \$99.31							
Adjusted Cost Basis						\$24,827,636.72	D (\$388,886.72)
Total U.S. Treasury / Agency Securities		57,700,000		\$56,633,077.50	\$1,617,437.50	\$56,473,880.05	\$159,197.45
Total Fixed Income		57,700,000		\$56,633,077.50	\$1,617,437.50	\$56,473,880.05	\$159,197.45
Total Securities				\$56,633,077.50	\$1,617,437.50	\$56,473,880.05	\$159,197.45
TOTAL PORTFOLIO VALUE							\$159,197.45

Activity

NFS-provided cost basis, realized gain (loss) and holding period information may not reflect all adjustments necessary for tax purposes. Please refer to Footnotes and Cost Basis Information at the end of this statement for more information.

PURCHASES, SALES, AND REDEMPTIONS

Settlement Date	Account Type	Transaction	Description	Quantity	Amount	Total Cost Basis	Realized Gain (Loss)
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Redemptions

Statement for the Period December 1, 2024 to December 31, 2024

SAN BENITO COUNTY WATER DISTRICT - Corporation
Account Number: WBB-023302



PURCHASES, SALES, AND REDEMPTIONS *continued*

Settlement Date	Account Type	Transaction	Description	Quantity	Amount	Total Cost Basis	Realized Gain (Loss)
12/02/24	CASH	REDEEMED	UNITED STATES TREAS SER BL 2024 4.50000% 11/30/2024 NTS NOTE REDEMPTION PAYOUT #REOR R6004686780000 ST Gain \$14,375.00 Adjusted Cost Basis	(4,000,000)	✓ \$4,000,000.00	\$3,985,625.00	
12/19/24	CASH	REDEEMED	UNITED STATES TREAS BILLS ZERO CPN 0.00000% 12/19/2024 REDEMPTION PAYOUT #REOR R6004864140000	(2,500,000)	✓ \$2,500,000.00	\$3,985,625.00	\$14,375.00
Total Redemptions					\$6,500,000.00		

ACTIVITY > ADDITIONS AND WITHDRAWALS > OTHER ADDITIONS AND WITHDRAWALS

Date	Account Type	Transaction	Description	Quantity	Amount
Other Additions and Withdrawals					
12/02/24	CASH	TRANSFER TO ACCOUNT	AUTO MONEY MOVEMENT ID92525014 US BANK NA *****3320		(\$90,000.00)
12/03/24	CASH	TRANSFER TO ACCOUNT	AUTO MONEY MOVEMENT ID92537895 US BANK NA *****3320		(\$4,000,000.00)
12/16/24	CASH	TRANSFER TO ACCOUNT	AUTO MONEY MOVEMENT ID92628893 US BANK NA *****3320		(\$103,125.00)
12/19/24	CASH	TRANSFER TO ACCOUNT	AUTO MONEY MOVEMENT ID92654130 US BANK NA *****3320		(\$2,500,000.00)
12/31/24	CASH	TRANSFER TO ACCOUNT	AUTO MONEY MOVEMENT ID92704650 US BANK NA *****3320		(\$468,750.00)
Total Other Additions and Withdrawals					(\$7,161,875.00)

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Statement for the Period December 1, 2024 to December 31, 2024
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ACTIVITY *continued*

TOTAL ADDITIONS AND WITHDRAWALS				Amount
				(\$7,161,875.00)
ACTIVITY > INCOME > TAXABLE INCOME				
Settlement Date	Account Type	Transaction	Description	Quantity Amount
Taxable Interest				
11/30/24	CASH	INTEREST	UNITED STATES TREAS SER BL-2024 4.50000% 11/30/2024 NTS NOTE	\$ \$90,000.00
12/15/24	CASH	INTEREST	UNITED STATES TREAS SER AP-2026 4.12500% 06/15/2026 NTS NOTE	\$ \$103,125.00
12/19/24	CASH		UNITED STATES TREAS BILLS ZERO CPN 0.00000% 12/19/2024 OID AMT CALCULATED For Information Only Reportable interest for bonds purchased with OID	\$27,805.56
12/31/24	CASH	INTEREST	UNITED STATES TREAS SER AH-2028 3.75000% 12/31/2028 NTS NOTE	\$ \$468,750.00
Total Taxable Interest				\$689,680.56
Total Taxable Income				\$689,680.56
TOTAL INCOME				\$689,680.56

Statement for the Period December 1, 2024 to December 31, 2024

SAN BENITO COUNTY WATER DISTRICT - Corporation
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Footnotes and Cost Basis Information

Amortization, accretion and similar adjustments to cost basis have been provided for many fixed income securities (and some bond-like equities), however, they are not provided for certain types, such as short-term instruments, Unit Investment Trusts, foreign fixed income securities, or those that are subject to early prepayment of principal (pay downs). Where current year premium or acquisition premium amortization is provided, the prior years' cumulative amortization is reflected in the adjusted cost basis, but we cannot provide a breakdown or the total of such prior amortization amounts.

NFS is required to report certain cost basis and related information to the IRS on the Form 1099-B. Your official 1099-B forms for certain transactions will reflect which lots have been sold for tax purposes. To apply a specific identification cost basis method to 1099-B reporting, appropriate instructions must be on file with NFS or be received by NFS before the trade has settled. Absent such instructions, NFS determines cost basis at the time of sale based on its default methods of average cost for open-end mutual funds and first-in, first-out (FIFO) for all other (including ETFs) unless your broker dealer has elected to use another default method. NFS applies FIFO (or other disposal method, if applicable) based on its records, which may be different from yours. For transactions that are not subject to 1099-B cost basis reporting, you should refer to your trade confirmations and other applicable records to determine which lots were considered sold for tax purposes.

While NFS must meet IRS requirements with respect to certain information required to be reported to the IRS, NFS-provided cost basis, realized gain and loss, and holding period information may not reflect all adjustments necessary for your tax reporting purposes. NFS makes no warranties with respect to and specifically disclaims any liability arising out of a customer's use of, or any tax position taken in reliance upon, such information.

For investments in partnerships, NFS does not make any adjustments to cost basis information as the calculation of basis in such investments requires supplemental information from the partnership on its income and distributions during the period you held your investment. Partnerships usually provide this additional information on a Form K-1 issued by April 15th of the following year.

Consult your tax advisor for further information.

Cost basis and gain/loss information is provided as a service to corporate accounts. The information listed in the year-to-date gain/loss summary section is based on a calendar year (January - December). If your business/entity has a fiscal year end other than December 31st for tax purposes, the year-to-date information will not apply. If you have questions about your tax situation, consult your tax advisor.

D - Adjusted cost basis reflects any cumulative original issue discount, premium, or acquisition premium, and it assumes such amounts were amortized by the taxpayer over the life of the security from acquisition date through disposition date. For securities still held, maturity date was used instead of disposition date. Premium amortization was calculated using the yield-to-maturity method. Acquisition premium was calculated using the ratable accrual method. If applicable, adjusted cost basis reflects market discount accretion which was calculated using the straight-line method and was recognized at disposition date. Gain/loss displayed for this transaction was based on cost basis as adjusted for premium and discount as stated above and does not reflect any losses disallowed because of wash sales (if applicable). The adjusted cost basis may not reflect all adjustments necessary for tax reporting purposes and may also not apply if you are using an alternative amortization calculation method. Refer to IRS Publication 550, Investment Income and Expenses, for additional information. E - YTD amortized premium was calculated on the yield-to-maturity amortization method. Cumulative premium amortization from acquisition date through disposition date is reflected in the adjusted cost basis. For securities still held, maturity date was used instead of disposition date. For tax-exempt securities, amortization of premium is required and is not deductible from taxable income. For taxable bonds, a tax election may be required to amortize premium, and the current year's amortized premium may be deductible from taxable income. Our adjusted cost basis calculation may not reflect all adjustments necessary for tax reporting purposes. It may not be applicable if you have not made an appropriate tax election or if you are using an alternative amortization calculation method. Review prior adjustments that you have made, and consult your tax advisor and IRS Publication 550, Investment Income and Expenses, for additional information. R - Market discount income was calculated using the straight-line method from acquisition date through disposition date. Our calculation assumed the taxpayer elected to defer recognizing the market discount until sale (disposition). Other elections available under tax laws may be more beneficial, depending on your individual tax situation. For Federal tax purposes, market discount income from both taxable and tax-exempt bonds is treated as taxable interest income. Q - Unrealized Market discount income was calculated using the straight-line method from acquisition date through statement period ending date. Our calculation assumes the taxpayer has elected to defer recognizing the market discount until sale (disposition). Other elections available under tax laws may be more beneficial, depending on your individual tax situation. For Federal tax purposes, market discount income from both taxable and tax-exempt bonds is treated as taxable interest income.

If a sale, redemption or other disposition involved multiple tax lots, the transaction's totals may have been calculated using a combination of adjusted and unadjusted cost basis information. For lots where adjusted cost basis and its associated gain/loss are known, that was used, otherwise "regular" unadjusted cost basis and its associated gain/loss was used.

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Miscellaneous Footnotes

CHANGE IN VALUE OF YOUR PORTFOLIO is the change in market value of your portfolio assets over the time period shown. The portfolio assets include the market value of all the securities in the account, plus insurance and annuity assets if applicable. The time frame of the graph is from account opening or September 2010, whichever is later, to the current period. Please note that large increases and/or declines in the change in the value of the portfolio can be due to additions, distribution and/or performance.

CHANGE IN VALUE reflects appreciation or depreciation of your holdings due to price changes plus any activity not reflected within Additions and Withdrawals, Misc. & Corporate Actions, Income, Taxes, Fees and Expenses, and Other Activity sections. Change in Value does not reflect activity related to assets in which NFS is not the custodian (e.g. Insurance and Annuities, Assets Held Away and Other Assets Held Away).

CALLABLE SECURITIES LOTTERY - When street name or bearer securities held for you are subject to a partial call or partial redemption by the issuer, NFS may or may not receive an allocation of called/redeemed securities by the issuer, transfer agent and/or depository. If NFS is allocated a portion of the called/redeemed securities, NFS utilizes an impartial lottery allocation system, in accordance with applicable rules, that randomly selects the securities within customer accounts that will be called/redeemed. NFS' allocations are not made on a pro rata basis and it is possible for you to receive a full or partial allocation, or no allocation. You have the right to withdraw uncalled fully paid securities at any time prior to the cutoff date and time established by the issuer, transfer agent and/or depository with respect to the partial call, and also to withdraw excess margin securities provided your account is not subject to restriction under Regulation T or such withdrawal will not cause an undermargined condition.

PRICING INFORMATION - Prices displayed are obtained from sources that may include pricing vendors, broker/dealers who clear through NFS and/or other sources. Prices may not reflect current fair market value and/or may not be readily marketable or redeemable at the prices shown.

FOREIGN EXCHANGE TRANSACTIONS - Some transaction types necessitate a foreign currency exchange (FX) in order to settle. FX transactions may be effected by Fidelity Forex, LLC, on a principal basis. Fidelity Forex, LLC, an affiliate of NFS, may impose a commission or markup on the prevailing interbank market price, which may result in a higher price to you. Fidelity Forex, LLC, may share a portion of any FX commission or markup with NFS. More favorable rates may be available through third parties not affiliated with NFS. The rate applicable to any transaction involving an FX is available upon request through your broker-dealer.

COST BASIS LEGISLATION - New IRS Rules will require National Financial Services to report cost basis and holding period information for the sale of shares of open end Mutual Fund holdings purchased on or after January 1, 2012 on Form 1099-B. National Financial Services determines the cost basis for all shares of open end mutual funds using a default method of average cost. Alternatively, account owners or their brokers and advisors can instruct National Financial Services to determine the cost basis for shares of open end mutual funds by 1) setting up their non-retirement accounts with one of our eleven tax lot disposal methods available to investors or 2) identifying specific tax lots to sell at the time of a transaction. Contact your broker or advisor to learn more about the cost basis tracking of your holdings.

Interval Fund Owners: Please note an interval fund is structured as an unlisted closed-end mutual fund, and not a traditional open-end mutual fund. Material differences between an interval fund and a traditional open-end mutual fund may exist, including trading/liquidity limitations, and buyback and repurchase features. Please refer to the prospectus for the interval fund you own for specific information and other important considerations or contact your financial professional.

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GLOSSARY Short Account Balances-If you have sold securities under the short sale rule, we have, in accordance with regulations, segregated the proceeds from such transactions in your Short Account. Any market increases or decreases from the original sale price will be marked to the market and will be transferred to your Margin Account on a weekly basis. **Market Value** - The Total Market Value has been calculated out to 9 decimal places but the individual unit price is displayed in 5 decimal places. The Total Market Value represents prices obtained from various sources, may be impacted by the frequency in which such prices are reported and such prices are not guaranteed. Prices received from pricing vendors are generally based on current market quotes, but when such quotes are not available the pricing vendors use a variety of techniques to estimate value. These estimates, particularly for fixed income securities, may be based on certain minimum principal amounts (e.g. \$1 million) and may not reflect all of the factors that affect the value of the security, including liquidity risk. In certain situations, a price may be derived from a single broker quote. The prices provided are not firm bids or offers. Certain securities may reflect "N/A" or "unavailable" where the price for such security is generally not available from a pricing source. The Market Value of a security, including those

CUSTOMER SERVICE: Please review your statement and report any inaccuracy or discrepancy immediately by calling the telephone number of your broker-dealer reflected on the front of this statement. Reports of any inaccuracy or discrepancy regarding your brokerage account or the activity therein should be directed to your broker-dealer at the telephone number and address reflected on the front of this statement and National Financial Services LLC ("NFS").

NFS carries your brokerage account and acts as your custodian for funds and securities that are deposited with NFS by you or your broker-dealer. In addition to your initial contact with your broker-dealer you may contact NFS at (800) 801-9942. Any oral communications regarding inaccuracies or discrepancies should be reconfirmed in writing to protect your rights, including those under the Securities Investor Protection Act ("SIPA"). When contacting either your broker-dealer or NFS, remember to include your entire brokerage account number to ensure a prompt reply.

ADDITIONAL INFORMATION Free credit balances ("FCB") are funds payable to you on demand. FCB are subject to open commitments such as uncleared checks and exclude proceeds from sales of certificated securities without delivery of the certificate. If your FCB is swept to a core position, you can liquidate the core position and have the proceeds sent to you or held in your account subject to the terms of your account agreement. Required rule 10b-10(a) information not contained herein will be provided on written request. Fidelity may use this free credit balance in connection with its business, subject to applicable law.

Credit Adjustment Program. Accountholders receiving payments in lieu of qualified dividends may not be eligible to receive credit adjustments intended to help cover additional associated federal tax burdens. NFS reserves the right to deny the adjustment to any accountholder and to amend or terminate the credit adjustment program.

Options Customers. Each transaction confirmation previously delivered to you contains full information about commissions and other charges. If you require further information, please contact your broker-dealer.

Assignments of American and European-style options are allocated among customer short positions pursuant to a random allocation procedure, a description of which is available upon request. Short positions in American-style options are liable for assignment at any time. The writer of a European-style option is subject to exercise assignment only during the exercise period. You should advise your broker-dealer promptly of any material change in your investment objectives or financial situation. Splits, Dividends, and Interest. Expected stock split, next dividend payable, and next interest payable information has been provided by third parties and may be subject to change. Information for certain securities may be missing if not received from third parties in time for printing. NFS is not responsible for inaccurate, incomplete, or missing information. Please consult your broker-dealer for more information about expected stock split, next dividend payable, and next interest payable for certain securities.

Equity Dividend Reinvestment Customers. Shares credited to your brokerage account resulted from transactions effected as agent by either: 1) Your broker-dealer for your investment account, or 2) through the Depository Trust Company (DTC) dividend reinvestment program. For broker-dealer effected transactions, the time of the transactions, the exchange upon which these transactions occurred and the name of the person from whom the security was purchased will be furnished upon written request. NFS may have acted as market maker in effecting trades in "over-the-counter" securities.

Retirement Contributions/Distributions. A summary of retirement contributions/distributions is displayed for you in the activity summary section of your statement. Income Reporting. NFS reports earnings from investments in Traditional IRAs, Rollover IRAs, SEP-IRAs and Keoghs as tax-deferred income. Earnings from Roth IRAs are reported as tax-free income, since distributions may be tax-free after meeting the 5 year aging requirement and certain other conditions. A financial statement of NFS is available for your personal inspection at its office or a copy of it will be mailed to you upon your written request.

Statement Mailing. NFS will deliver statements by mail or, if applicable, notify you by e-mail of your statement's availability, if you had transactions that affected your cash balances or security positions held in your account(s) during the last monthly reporting period. At a minimum, all brokerage customers will receive quarterly statements (at least four times per calendar year) as long as their accounts contain a cash or securities balance.

Sales Loads and Fees. In connection with (i) access to, purchase, sale, exchange or redemption of, and/or maintenance of positions in mutual funds, ETFs and other investment products such as alternative investments or private placements ("funds") or (ii) infrastructure needed to support such funds, some funds, or their investment

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priced at par value, may differ from its purchase price and may not closely reflect the value at which the security may be sold or purchased based on various market factors. Investment decisions should be made only after consulting your broker-dealer.

Estimated Annual Income (EAI) & Estimated Yield (EY) - EAI for fixed income is calculated using the coupon rate. For all other securities, EAI is calculated using an indicated annual dividend (IAD). The IAD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. EY reflects only the income generated by an investment and not changes in its price which may fluctuate. Interest and dividend rates are subject to change at any time and may be affected by current and future economic, political and business conditions. EAI and EY are estimates only and may include return of principal and/or capital gains, which would render them overstated. EAI and EY are provided for informational purposes only and should not be used or relied on for making investment, trading or tax decisions. EAI and EY are based on data obtained from information providers believed to be reliable, but no assurance can be made as to accuracy, timeliness or completeness.

affiliates, pay you introducing broker dealer and/or NFS sales loads and 12b-1 fees described in the Offering Materials as well as additional compensation for shareholder services, start-up fees, platform support and maintenance, and marketing, engagement and analytics programs. Additional information about the source(s) and amount(s) of compensation as well as other remuneration received by FBS or NFS will be furnished to you upon written request. At time of purchase fund shares may be assigned a load, transaction fee or no transaction fee status. At time of sale, any fees applicable to your transaction will be assessed based on the status assigned to the shares at time of purchase. **Margin.** If you have applied for margin privileges and been approved, you may borrow money from NFS in exchange for pledging the assets in your account as collateral for any outstanding margin loan. The amount you may borrow is based on the value of securities in your margin account, which is identified on your statement. If you have a margin account, this is a combined statement of your margin account and special memorandum account other than your non-purpose margin accounts maintained for you under Section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve Board. The permanent record of the separate account, as required by Regulation T, is available for your inspection upon request.

NYSE and FINRA. All transactions are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange market and its clearing house, if any, where the transactions are executed, and of the New York Stock Exchange (NYSE) and of the Financial Industry Regulatory Authority ("FINRA"). The FINRA requires that we notify you in writing of the availability of an investor brochure that includes information describing FINRA Regulation's BrokerCheck Program ("Program"). To obtain a brochure or more information about the Program or FINRA Regulation, contact the FINRA Regulation BrokerCheck Program Hotline at (800) 289-9999 or access the FINRA's web site at www.finra.org. FINRA Rule 4311 requires that your broker-dealer and NFS allocate between them certain functions regarding the administration of your brokerage account. The following is a summary of the allocation services performed by your broker-dealer and NFS. A more complete description is available upon request. Your broker-dealer is responsible for: (1) obtaining and verifying brokerage account information and documentation, (2) opening, approving and monitoring your brokerage account, (3) transmitting timely and accurate orders and other instructions to NFS with respect to your brokerage account, (4) determining the suitability of investment recommendations and advice, (5) operating, and supervising your brokerage account and its own activities in compliance with applicable laws and regulations including compliance with margin rules pertaining to your margin account, if applicable, and (6) maintaining required books and records for the services that it performs. NFS shall, at the direction of your broker-dealer: (1) execute, clear and settle transactions processed through NFS by your broker-dealer, (2) prepare and send transaction confirmations and periodic statements of your brokerage account (unless your broker-dealer has undertaken to do so). Certain securities pricing and descriptive information may be provided by your broker-dealer or obtained from third parties deemed to be reliable, however, this information has not been verified by NFS, (3) act as custodian for funds and securities received by NFS on your behalf, (4) follow the instructions of your broker-dealer with respect to transactions and the receipt and delivery of funds and securities for your brokerage account, and (5) extend margin credit for purchasing or carrying securities on margin. Your broker-dealer is responsible for ensuring that your brokerage account is in compliance with federal, industry and NFS margin rules, and for advising you of margin requirements. NFS shall maintain the required books and records for the services it performs. Securities in accounts carried by NFS are protected in accordance with the Securities Investor Protection Corporation ("SIPC") up to \$500,000. The \$500,000 total amount of SIPC protection is inclusive of up to \$250,000 protection for claims for cash, subject to periodic adjustments for inflation in accordance with terms of the SIPC statute and approval by SIPC's Board of Directors. NFS also has arranged for coverage above these limits. Neither coverage protects against a decline in the market value of securities, nor does either coverage extend to certain securities that are considered ineligible for coverage. For more details on SIPC, or to request a SIPC brochure, visit www.sipc.org or call 1-202-371-8300. Funds used to purchase or sweep to a bank deposit are SIPC protected until deposited to a Program Bank at which time funds may be eligible for FDIC insurance. Assets Held Away, commodities, unregistered investment contracts, futures accounts, loaned securities and other investments may not be covered. Precious metals are not covered by SIPC protection. Mutual funds and/or other securities are not backed or guaranteed by any bank, nor are they insured by the FDIC and involve investment risk including possible loss of principal.

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End of Statement

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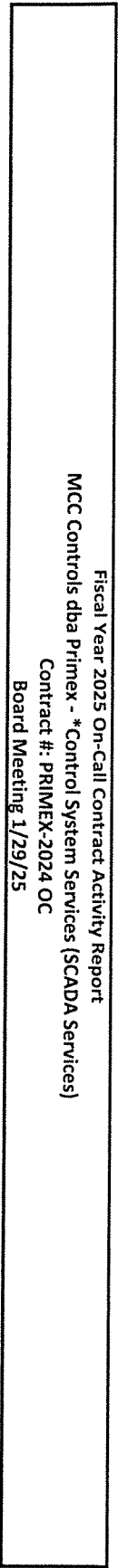
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Agenda

Item

5



NOTE: NO ADDITIONAL TASK ORDERS WERE EXECUTED AS OF THIS MEETING'S REPORTING DEADLINE

**NTE Contract Amount	Task Order Status	Task Order Amount	Contract Amount Remaining	Task Order Number	Task Order Description	Task Order Issued Date	Payments to Date
\$ 813,000							
	Open	\$ 30,000	\$ 783,000	1	Control System Services	8.27.24	\$ 10,061.50
	Closed	\$ 48,178	\$ 734,822	2	PLC install and system start up RTU 20	8.26.24	\$ 48,177.80
	Open	\$ 46,348	\$ 688,474	3	PLC install and system start up RTU 9	8.27.24	\$ -
	Open	\$ 103,850	\$ 584,624	4	Replacement hardware for RTU 3/4/6/7/17	10.17.24	\$ -
\$ 813,000		\$ 228,376	\$ 584,624				\$ 58,239.30

*SBCWD Board approved 7.31.24, Contract #PRIMEX-2024 OC
**Contract expires 7.31.27

**San Benito County Water District
Agenda Transmittal**

Agenda Item: 6

Meeting Date: January 29, 2025

Submitted By: Brett Miller

Presented By: Brett Miller

Agenda Title: FYE 2024 Annual Comprehensive Financial Report and Audit

- a. Presentation by McGilloway, Ray, Brown & Kaufman
- b. Consider Acceptance and Authorize Distribution

Detailed Description:

The District is on contract with an external auditor to conduct the fiscal year end audit of the District's financial statements. Collin Linder of McGilloway, Ray, Brown and Kaufman will present the financial report and findings from the fiscal year 2024 audit.

Prior Committee or Board Action(s):

The Finance Committee will meet with staff and Mr. Linder at the January 27, 2025 Finance Committee meeting to discuss the FYE 2024 audit and the financial report.

Financial Impact: _____ Yes X No

Funding Source/ Recap: N/A

Material Included for Information/Consideration:

Draft Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024

Recommendation: Board consider acceptance of the FYE 2024 ACFR and authorize its distribution

Action Required: _____ Resolution X Motion _____ Review

Board Action

__Resolution No. _____ Motion By _____ Second By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
SAN BENITO COUNTY WATER DISTRICT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024



30 Mansfield Road

Hollister, CA 95023

PREPARED BY THE FINANCE DEPARTMENT
SAN BENITO COUNTY WATER DISTRICT

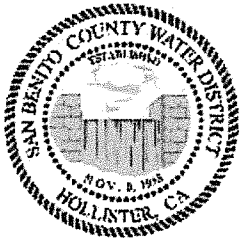
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

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DRAFT

INTRODUCTORY SECTION



San Benito County Water District

30 Mansfield Road • P.O. Box 899 • Hollister, CA 95024-0899 • (831) 637-8218 • Fax (831) 637-7267

January 29, 2025

Members of the Board of Directors
San Benito County Water District

We are pleased to present the San Benito County Water District's (District) Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024.

The report was prepared by the District in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe that the data, as presented is accurate in all material respects and that it is presented in a manner designated to set forth fairly the financial position and results of operations of the District. Included are all the disclosures we believe are necessary to enhance understanding of the financial condition of the District.

McGilloway, Ray, Brown & Kaufman, Accountants and Consultants, have issued an unmodified ("clean") opinion on the San Benito County Water District's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. As a complimentary document, the MD&A should be read in conjunction with this letter of transmittal.

MAJOR INITIATIVES AND PROGRAMS

Urban Area Water and Wastewater Master Plan

During this past year the District and San Juan Bautista continued work through the Memorandum of Understanding signed in FY2022-2023 to evaluate the possibility of adding San Juan Bautista to what was the Hollister Urban Area Water and Wastewater Master Plan, and will now be referred to as the Urban Area Water and Wastewater Master Plan. The intent of adding San Juan Bautista to the urban area planning effort is to investigate options to connect San Juan Bautista to the West Hills water treatment plant.

A contract was issued in FY22-23 to HDR Inc to prepare a Basis of Design Report (BOD) that would be the preliminary design for a connection to the West Hills Treatment Plant and a pipeline to convey water through San Juan Valley to San Juan Bautista. HDR has completed the BOD with the estimated cost of construction at \$7,691,000.

Also, still under consideration is San Juan Bautista's buy-in to the West Hills/Lessalt treatment capacity. Under an amendment to the original Water Supply and Treatment agreement between

the District, City of Hollister (COH), and Sunnyslope County Water District (SSCWD), San Juan Bautista (SJB) would be added as a 5% to 8% partner.

Accelerated Drought Response Project (ADRoP)

The District has been approved for \$4.78 Million in Pajaro River shed Prop 1, Round 2 IRWM Implementation Grant, \$11.5 Million in SGMA Implementation Grant, and \$6.7 Million in WaterSMART Small Storage Grant. The grant funds will be used to offset the costs of the District's ADRoP project which is an aquifer storage and recovery project which will be capable of recharging up to 6,000 AFY of high-quality CVP water in wet years for subsequent recovery in dry years. It is the foremost approach to help meet future water demand, especially during drought and water shortages, and to help achieve water quality goals for total dissolved solids, Nitrate and hexavalent chromium. The Grant funding will be utilized in FY 24-25 and beyond to complete this project. The grants received will provide partial funding for the first phase of the recommended Aquifer Storage and Recovery Project. The update of San Benito Urban Area Water Supply and Treatment Master Plan has been updated to reflect the grant opportunities and was completed in March 2023.

Recycled Water Storage Facilities

The District continues to refine the operations and add new customers to the recycled water project. The completion of the storage facilities allows for 1,000 acre-feet of recycled water per year to be delivered, and nearly 100% of the recycled water produced between April – September of each year is available for use. The use of recycled water for agricultural purposes is particularly important in years of drought as imported water supply is limited.

Zebra Mussels

Infestation of Zebra Mussels within San Justo Reservoir has been documented since February 2008. Since then, the District, United States Bureau of Reclamation (USBR), and California Department of Fish and Game (DFG) have been working to develop an eradication plan to eliminate the mussels from the reservoir.

One of the key concerns with any water source with mussel infestation is that the mussels will eventually migrate to the conveyance systems (i.e. the Hollister Conduit, or San Felipe Distribution System). In March of 2009 zebra mussel infestation was confirmed in the Hollister Conduit.

The District continues to operate San Justo Reservoir (San Justo) as it has for the past 15 years seasonally raising and lowering water levels in San Justo to minimize Zebra Mussel populations taking advantage of the hypoxic water that develops in the reservoir each summer to help control the zebra mussel populations in the reservoir and distribution system. To date, visual inspections indicate that this has been effective. The District will continue to manage with operational modifications.

At this time there is no indication of when USBR will complete an eradication plan.

Pacheco Reservoir Expansion Project

The District was a participant in a Proposition 1 grant application with Santa Clara Valley Water District (SCVWD) and Pacheco Pass Water District (PPWD) for the expansion of the Pacheco Reservoir. In July of 2018, Department of Water Resource (DWR) announced the project would receive the full funding request of \$485 million. The total project cost is currently estimated to be approximately \$2.5 billion.

The project includes construction of a new earthen dam a short distance upstream from the existing dam and a pipeline to connect the dam to the existing Pacheco Conduit, a federal Central Valley Project pipeline that delivers water into Santa Clara and San Benito counties from the San Luis Reservoir. The Pacheco Reservoir Expansion Project would expand the reservoir from 6,000 to 140,000 acre-feet and deliver water supply, water quality, and ecosystem benefits to the region.

In June 2018, the Board approved a Memorandum of Agreement (MOA) with SCVWD that outlines the terms for moving forward with the project. Originally the MOA included 2 major agreements that needed to be completed within 2 years of the signing of the agreement, an allocation of benefits agreement and a provisional operating agreement. In addition, the MOA called for the District within the 2 years to determine its participation level ranging from 0% - 10%. It is now anticipated that the date for the allocation of benefits and operating agreement will be delayed. The District will continue to review its level of participation as the project moves forward.

Sustainable Groundwater Management Act (SGMA)

The District is recognized by DWR as the exclusive Groundwater Sustainability Agency (GSA) for the North San Benito Groundwater Basin.

The District has completed the development of the Groundwater Sustainability Plan (GSP). The District applied for and received a planning grant in the amount of \$830,336 to develop the plans for completing the State-required GSPs for these basins. Another round of funding was announced by DWR to assist with plan preparation. The District received an additional \$1.2 million to help with installation of additional monitoring wells and a Managed Aquifer Recharge project. The District has acquired access agreements and completed installation of the monitoring wells.

The North San Benito GSP was adopted by SBCWD and Valley Water GSA and was submitted to and approved by the California Department of Water Resources (DWR) on January 12, 2022. The 2022 GSP provides the basic information, analytical tools, and projects and management actions for continued groundwater management, guided by SGMA and by locally defined sustainability goals, objectives, and metrics. Annual reports continue to be submitted as required by the April 1 deadline. Per the SGMA regulations, a periodic evaluation of the GSP is expected to be completed by January 2027.

Future Water Supply Storage Options

Consistent with recommendations made in the recently completed Hollister Urban Area Water and Wastewater Master Plan Update, the District is working on an evaluation of local water storage alternatives for the future. Currently, the District is in negotiations the United States Bureau of Reclamation on the B.F. Sisk dam raise project that would add an additional 130,000 ac-ft of storage to San Luis Reservoir. Through the San Luis and Delta Mendota Water Authority the District would obtain up to 5000 ac-ft of the available storage. At a mid-point of construction estimated cost of \$1,100,000 the District's cost of the project would be approximately \$58,000,000. Funding for the project will be provided through the District's approved Capacity Fee of \$12,265 for each equivalent single family home built.

Reservoir Management Plans

In 2017, the District completed preparation of an operations planning tool to create annual plans for operation of Hernandez and Paicines Reservoirs and for re-diversion of Hernandez Reservoir releases to Paicines Reservoir at the San Benito River Diversion. 2018 marked the first year the operational planning tool was used to manage reservoir releases for groundwater recharge. This

planning tool has been incorporated into the SGMA GSP. The District continues to use the Reservoir Management tools to manage the surface waters of San Benito County to augment groundwater supplies.

FINANCIAL MANAGEMENT

Rate Policy

The Board of Directors adopts water rates for groundwater and surface water deliveries. The District follows the Proposition 218 landowner notification, protest process and public hearings for the adoption of new or increased rates and charges related to groundwater and San Felipe Contract and Small Parcel customers.

Budgetary Control

The District is not required by statute to adopt a budget; however, it does so annually to outline the major elements of the forthcoming year's operating and capital plans and to allocate funding required for those purposes. Budget appropriations for major capital projects continue from year to year until the project is completed. A quarterly financial report is reviewed by the Board Finance Committee and reported to the Board of Directors.

Accounting Systems

The District's books and records are maintained on an enterprise basis, as it is the intent of the Board to manage the District's operations as a business, thus matching revenues against costs to provide water service and implement programs to control, manage and conserve water. Revenues and expenses are recorded on the accrual basis in the period in which revenue is earned or expenses are incurred.

Internal Controls

The District's management is responsible for establishing and maintaining a system of internal controls designed to safeguard the District's assets from loss, theft, or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the evaluation of costs and benefits requires estimates and judgments by management. The District's management believes that the current system of internal controls adequately safeguards the District's assets and provides reasonable assurance that accounting transactions are properly recorded.

AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. This is the tenth year that the District has been awarded a Certificate of Achievement. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to take this opportunity to thank the members of the San Benito County Water District's Board of Directors for their interest and support in the financial operations of the District. It is the responsible and progressive manner in which business is conducted that makes the District successful. I would like to extend special recognition to the District Finance and Administrative staff for their commitment to excellence in financial reporting. In addition, I would also like to thank the District's auditors McGilloway, Ray, Brown & Kaufman for their significant technical contribution and assistance. It is the combined effort of all participants that resulted in the issuance of this financial report.

Respectfully submitted,

Dana Jacobson
General Manager

Brett I. Miller, CPA, CPFO
Assistant General Manager

DISTRICT PROFILE

DISTRICT FORMATION

The District has broad powers for the conservation and management of water (flood, surface, drainage, and ground water). The primary focus of the District is the management of water quantity and quality throughout San Benito County including, where appropriate, the development of local water supplies and the development and importation of water supplies from outside the County.

The District is a California Special District formed in 1953 by the San Benito County Water Conservation and Flood Control Act. At that time, the District merged with the Hollister Irrigation District, becoming the successor to the water rights, water facilities and land interests of the Hollister Irrigation District. The name was changed from San Benito County Water Conservation and Flood Control District to San Benito County Water District in 1988.

SERVICE AREA

The District encompasses all of San Benito County, with an area of approximately 1,400 square miles and a population of over 64,210 people. Residential communities served include: City of San Juan Bautista, City of Hollister, unincorporated urban areas surrounding Hollister and Tres Pinos.

The District provides water service and water related services through zones of benefit. Current zones of benefit are:

- District Administration (Zone 1)
- San Benito River System (Zone 3)
- San Felipe Project (Zone 6)
- Groundwater Sustainability Plan (Zone 7)

DISTRICT ORGANIZATION

A five-member Board of Directors (Board) governs the District. Board members are elected for four-year terms from divisions that are coterminous with the supervisory districts of San Benito County. Directors must be a resident of, and a registered voter in the division they represent. Members begin service in December of even numbered years.

To facilitate matters, most matters coming before the Board are first considered by one of its committees. Each committee then reports to the full Board, which makes the necessary decisions. There are ten standing committees:

- Finance
- Investment
- Administration
- Recycled Water
- Zone 3 Operations and Water Supply
- Zone 6 Operations and Water Supply
- Personnel
- Pacheco Reservoir Expansion
- San Felipe Division Activities
- Groundwater Sustainability Agency

Several ad-hoc committees exist for special purposes and meet on an as-needed basis.

In addition, Board members serve as the District representatives to the following Board of Directors and multi-agency committees:

- San Luis & Delta Mendota Water Authority (2 positions)
- Association of California Water Agencies-Joint Powers Insurance Authority
- Pajaro River Watershed Flood Prevention Authority
- Water Resources Association of San Benito County
- Urban Area Water and Wastewater Master Plan Governance Committee (2 positions)

An organizational chart of the District appears on page xii of the introductory section.

In 2014, the State of California passed the Sustainable Groundwater Management Act (SGMA). This law outlines new requirements and tools for ensuring the long-term sustainability of these critical sources of water supply. The District is the Groundwater Sustainability Agency (GSA) for the North San Benito Groundwater Basin. The District is cooperating with Santa Clara Valley Water District (SCVWD), which is the GSA for small portions of the Hollister and San Juan-basins within Santa Clara County. More information on SGMA can be found on the District's website (sbcwd.com/sustainable-groundwater-management).

WATER RESOURCES MANAGEMENT

The principal water available to water users is local Groundwater and imported Central Valley Project (CVP) water. Local surface supplies are primarily percolated into the groundwater basin for later recovery through pumping by individual users and domestic water suppliers. The imported water supply from the San Felipe Project is available for use within the defined zone of benefit. The system provides for direct delivery to agricultural and other rural properties and for centralized delivery to the Hollister area for urban use. Under District rules and regulations, available imported surface water is supplemental to groundwater and is allocated to users within the zone of benefit on an annual basis.

Groundwater use, within the North San Benito Groundwater Basin had exceeded the natural supply for decades and a state of overdraft (use exceeds basin's natural ability to replenish itself) existed. Due to the District's management activity which includes management of local surface water supply and the importation of CVP water, the groundwater basin had fully recovered by 2001. The drought beginning in 2007 put pressure on the groundwater basin but storage was sufficient to sustain demand. We will continue in a period of recovery as long as we continue to get an average of 20,000 acre-feet per year of imported water. If not, management activities will need to be modified. The current land uses, and the economy of San Benito County depend upon the water placed in groundwater storage and the water imported by the District. These conditions require careful management, data collection and analysis. The District maintains a groundwater and surface water quality database to support these efforts.

As a matter of practice, the Board of Directors has requested a groundwater report each year. The objective of this report is to conduct an audit of critical water resources and the actions taken to manage these resources, as well as making recommendations for management actions for forthcoming years. Public notice of this process is provided to encourage the participation of landowners and groundwater users.

In the 1950s, the San Benito River System was undertaken for storage and percolation of locally occurring surface water. The system was established to mitigate the overdraft in part of the San Benito portion of the Hollister-Gilroy Groundwater Basin. The Hernandez Dam was constructed and placed in operation in the early 1960s for the storage of locally occurring water. The District continues to operate this facility, as well as the Paicines Canal and Reservoir which was built in 1913 and rehabilitated in the early 1960s. The District holds water rights licenses from the State of California for Hernandez Dam and Reservoir, San Benito River and Dos Picachos Creek. These water rights permit the diversion and storage of surface water for percolation into the ground for later recovery and use. Water is released for percolation through the streambed at the San Benito River, Tres Pinos Creek, and a natural drainage adjacent to Dos Picachos Creek.

In the late 1970s, the San Felipe Project was initiated to correct the remaining overdraft in the San Benito County portion of the Hollister-Gilroy Groundwater Basin, to provide a water supply of appropriate quality, and to provide through conjunctive use an expanded water supply. The San Felipe Project's zone of benefit contains approximately 47,500 acres. The District has contracted with the United States on behalf of landowners for water service from the San Felipe Division of the federal CVP. The District and the landowners and water users within this zone of benefit are the beneficiaries of State of California water rights held by the United States. These water rights are subject to the continuing jurisdiction of the State of California. Water use is subject to federal laws and regulations and the terms and condition of the contracts between the United States and the District.

The original San Felipe Project was to provide a high-quality supplement to the local supplies to correct the groundwater overdraft, provide alternative supplies in certain areas with poor quality water (high Boron levels) and a firm long-term water supply. Since that original planning, the supply available to the District from the CVP has been significantly reduced as the CVP addresses water quality, endangered species, and the addition of fisheries as a principal purpose of the CVP. The District has undertaken a number of initiatives to identify projects and programs to ensure its supplies and restore reliability.

WATER SUPPLY

The District manages the federal contract with the United States Bureau of Reclamation (USBR) for delivery of water through the San Felipe unit of the Central Valley Project. The total federal contract entitlement is 43,800 acre-feet of water per year (35,550 acre-feet of Irrigation, 8,250 acre-feet of Municipal and Industrial). Based on availability of water the USBR allocates a percentage of the contract entitlement.

The local water supply consists of water rights for Hernandez Dam and Reservoir, the San Benito River system, and the Dos Picachos Creek. The use of the water from Hernandez and the San Benito River is for spreading and later recovery by pumping from wells. The Dos Picachos water is diverted from December through May for spreading and later recovery by pumping from wells.

The District has worked cooperatively for years with the County of San Benito, City of Hollister and Sunnyslope County Water District to implement recycled water use. Current recycled water use includes City of Hollister landscape irrigation. Since 2016, recycled water has also been delivered to agriculture users.

Additionally, from time to time, the District participates in transfers or purchases of water from other agencies.

WATER TREATMENT

With the execution of the Hollister Urban Area Water Supply and Treatment Agreement (HUWSTA) in 2013 by the District, the City of Hollister, and Sunnyslope County Water District, the District became the owner of the upgraded Lessalt Water Treatment Plant and began design and construction of the West Hills Water Treatment Plant which was completed in October 2017. This agreement marked the beginning of the District providing wholesale treated drinking water to the City of Hollister and Sunnyslope County Water District.

Groundwater in the Hollister Urban area is characterized by high mineralization, driving customers to utilize water softeners to mitigate the high hardness. As a part of the District's CVP contract, the District is entitled to up to 8,250-acre feet of M&I water annually. Completion of upgrades to Lessalt and construction of West Hills now allows the District to fully utilize its CVP M&I allocation each year. This directly benefits City of Hollister and Sunnyslope County Water District customers by delivering drinking water with significantly lower hardness which allows them to remove salt-based water softeners.

WATER RESOURCES ASSOCIATION OF SAN BENITO COUNTY

The Water Resources Association of San Benito County (WRASBC) operates under a Memorandum of Understanding (MOU) between the District, the City of Hollister, the City of San Juan Bautista, and Sunnyslope County Water District. The purpose of the organization is to promote water resource management in a coordinated, cooperative and cost-effective manner within the County. This is accomplished through implementation of public and special purpose educational programs, public communications, compilation of water resource data and frequent communication among the agencies regarding water management activities. WRASBC is reported as a fiduciary fund of the District who manages the staff and financial resources of the WRASBC.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Salinas Valley Solid Waste Authority
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

SAN BENITO COUNTY WATER DISTRICT
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2024

BOARD OF DIRECTORS

Andrew Shelton
President, Division 2
Term expires November 2024
(Did not run for re-election)

Mark Wright
Director, Division 1
Term expires November 2026

Joe Tonascia
Director, Division 3
Term expires November 2024
(Re-elected to 2028)

Doug Williams
Vice President, Division 4
Term Expires November 2026

Sonny Flores
President, Division 5
Term Expires November 2024
(Re-elected to 2028)

DISTRICT COUNSEL

Jeremy Liem
Pipal, Spurzem & Liem, LLP
Attorneys at Law

GENERAL MANAGER

Dana Jacobson

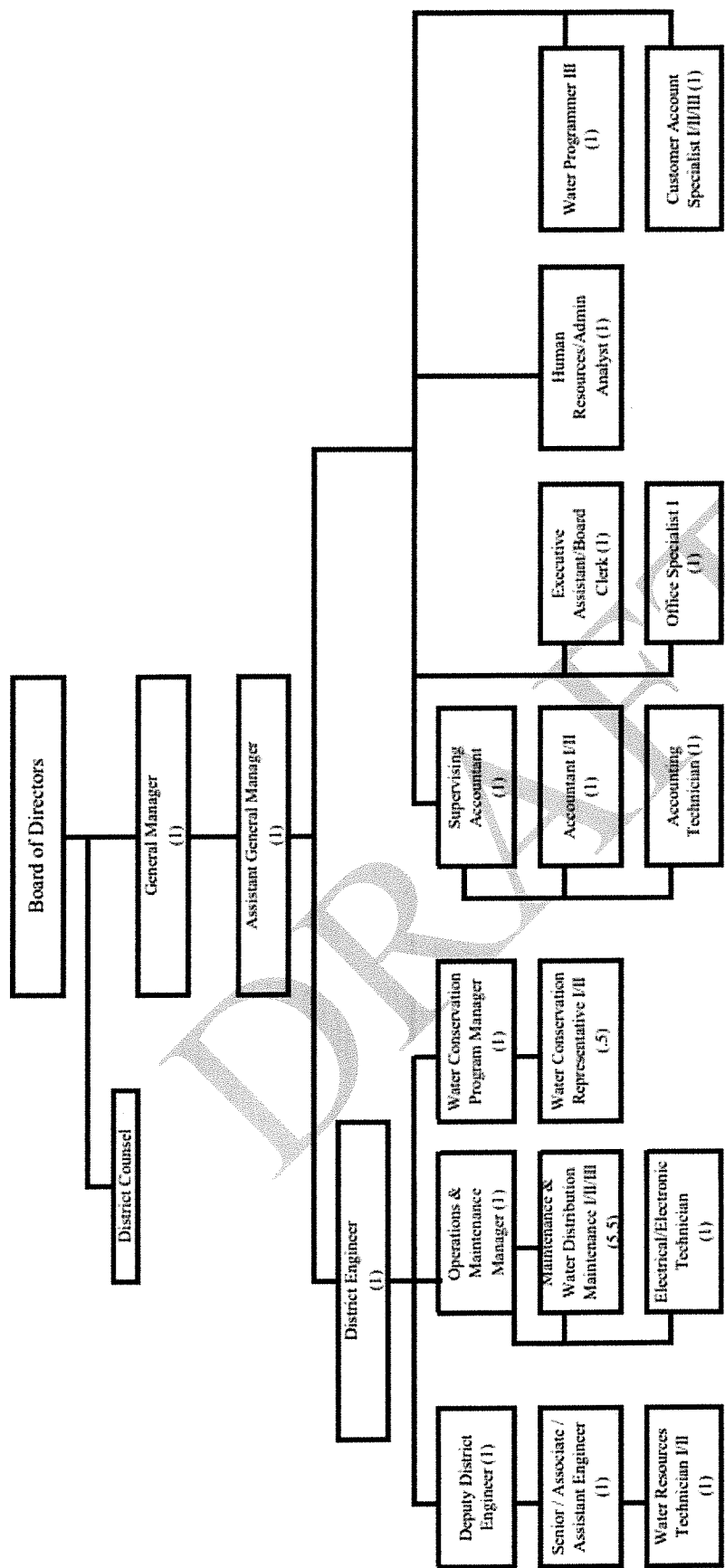
ASSISTANT GENERAL MANAGER

Brett Miller, CPA, CPFO

MISSION STATEMENT

The mission of the District is to preserve the economic and environmental wealth and well-being of San Benito County through the control, management and conservation of waters and the provision of water services in a practical, cost-effective and responsible manner.

SAN BENITO COUNTY WATER DISTRICT
Organizational Chart
June 30, 2024





2511 Garden Road
Suite A180
Monterey, CA 93940
831-373-3337
Fax 831-373-3437

379 West Market Street
Salinas, CA 93901
831-424-2737
Fax 831-424-7936

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of San Benito County Water District
Hollister, California

Opinions

We have audited the financial statements of the business-type activities and the aggregate fund information of San Benito County Water District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the San Benito County Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Gerald Ray, CPA | Patricia Kaufman, CPA, CGMA | Smriti Shrestha, CPA

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the District's retirement plan's proportionate share of the net pension liability (asset) and related ratios, schedule of the District's pension plan contributions, schedule of changes in the District's net Other Post-Employment Benefits (OPEB) liability, and schedule of the District's OPEB contributions, as identified in the accompanying table of contents, information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of net position by zone and the schedule of revenues, expenses and changes in net position by zone. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of net position by zone and the schedule of revenues, expenses and changes in net position by zone are the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of net position by zone and the schedule of revenues, expenses and changes in net position by zone are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



McGilloway, Ray, Brown & Kaufman
Salinas, California
January 29, 2025

San Benito County Water District
Management's Discussion and Analysis
June 30, 2024

This section of the District's annual financial report presents our analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the Financial Statements which follows this section.

FINANCIAL HIGHLIGHTS

- The net position at June 30, 2024 was \$165,769,939 which reflects an increase of \$16,311,582 from prior year.
- Operating revenue was \$16,123,175 and operating expenses including depreciation and amortization was \$16,797,217. Additionally, non-operating revenue was \$17,196,375, consisting primarily of tax assessments and grant revenue.
- Non-operating revenue increased \$4,148,009 and non-operating expenses increased by \$20,644 which resulted in a \$4,127,365 net increase over prior year.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the San Benito County Water District's basic financial statements. The District's basic financial statements have three components: 1) Management's Discussion and Analysis, 2) Basic Financial Statements and 3) Notes to Financial Statements. In addition to the Basic Financial Statements, other supplementary information is provided for further information and analysis.

The Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements present both short- and long-term information about its activities.

The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and provides information about the nature and amount of investment in resources (assets) and the obligations to District creditors (liabilities). This statement provides the financial information to evaluate the capital structure of the District and to assess the liquidity and financial flexibility of the District. The difference between the assets, deferred outflows of resources, liabilities and deferred inflows of resources is shown as net position. Over time, increase or decrease in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position report all of the current year revenues and expenses. This statement reports the financial impact of the District's activities over the past year and can be used to determine whether the District has successfully recovered all of its costs through its user fees, charges and other revenues.

The Statement of Cash Flows is intended to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash as a result of operations, capital activities, and investments.

The Notes to the Financial Statements provide a description of the accounting policies used to prepare the financial statements and present material disclosure required by Generally Accepted Accounting Principles (GAAP) that are not otherwise present in the financial statements.

San Benito County Water District
Management's Discussion and Analysis
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT

Net Position

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2024 and 2023:

San Benito County Water District
Condensed Statement of Net Position
June 30, 2024 and 2023

	Fiscal Year Ended June 30,		Change	
	2024	2023	Amount	Percent
Current assets	\$ 95,354,864	\$ 81,655,226	\$ 13,699,638	16.8%
Other assets	18,299,602	19,479,202	(1,179,600)	-6.1%
Capital assets, net	82,307,065	81,393,121	913,944	1.1%
Total Assets	195,961,531	182,527,549	13,433,982	7.4%
Deferred outflows of resources	2,041,267	3,189,374	(1,148,107)	-36.0%
Current liabilities	5,135,894	6,970,895	(1,835,001)	-26.3%
Long-term liabilities	25,854,325	27,529,405	(1,675,080)	-6.1%
Total Liabilities	30,990,219	34,500,300	(3,510,081)	-10.2%
Deferred inflows of resources	1,242,640	1,758,266	(515,626)	-29.3%
Net Position:				
Net investment in capital assets	77,209,985	75,752,993	1,456,992	1.9%
Restricted	36,158,766	30,618,767	5,539,999	18.1%
Unrestricted	52,401,188	43,086,597	9,314,591	21.6%
Total Net Position	\$ 165,769,939	\$ 149,458,357	\$ 16,311,582	10.9%

Net position increased in 2024 to \$165,769,939 up \$16,311,582 from fiscal year end 2023.

The increase in restricted net position reflects the contributions to restricted reserves for future repayment of the USBR Amendatory Contract (refer to Notes to Basic Financial Statements No. 14), capital asset replacement related to the Water Treatment plants per the Hollister Urban Area Water Supply and Treatment Agreement (HUWSTA), Reach 1 Facilities for major repair and replacements and the Other Post Employment Benefit Trust (OPEB).

Net investment in capital assets increased by \$1,456,992. This is a direct result of the principal payments on the City National obligation and acquisitions of capital assets.

The change in current assets is \$13,699,638, which reflects a cash increase of \$28,291,799 of which \$1,181,098 is in restricted cash. Prepaid expenses increased by \$296,730 and accounts receivable increased by \$404,880.

San Benito County Water District
Management's Discussion and Analysis
June 30, 2024

The decrease in long term liabilities is the net result of the payments received for unearned revenue related to the HUWSTA Contract and the decrease in the net pension liability.

At the end of the fiscal year 2024, the District had \$2,041,267 of Deferred Outflows of Resources and \$1,242,6640 of Deferred Inflows of Resources. Deferred Outflows of Resources decreased by \$1,148,107 and Deferred Inflows of Resources decreased by \$515,626 over the prior year. The activity reflects changes in assumptions, expected and actual experience, changes in proportion and contributions to the District's pension and Other Post Employment Benefit (OPEB) plans. Additional information on the District's pension and OPEB plans can be found in Notes to Basic Financial Statements Nos. 10 and 12.

Revenues, Expenses and Changes in Net Position

The following is the Condensed Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2024 and 2023:

San Benito County Water District Condensed Statement of Revenues, Expenses and Changes in Net Position June 30, 2024 and 2023				
	Fiscal Year Ended June 30,		Change	
	2024	2023	Amount	Percent
Revenues:				
Operating revenues	\$ 16,114,162	\$ 8,518,178	\$ 7,595,984	89.2%
Nonoperating revenues	17,205,388	13,091,767	4,113,621	31.4%
Total Revenues	<u>33,319,550</u>	<u>21,609,945</u>	<u>11,709,605</u>	<u>54.2%</u>
Expenses:				
Depreciation and amortization expense	(3,757,321)	(3,628,807)	(128,514)	3.5%
Operating expense	(13,039,896)	(12,267,832)	(772,064)	6.3%
Nonoperating expense	(210,751)	(190,107)	(20,644)	10.9%
Total Expenses	<u>(17,007,968)</u>	<u>(16,086,746)</u>	<u>(921,222)</u>	<u>5.7%</u>
Change in Net Position	16,311,582	5,523,199	10,788,383	195.3%
Net Position, Beginning of Year	149,458,357	143,935,158	5,523,199	3.8%
Net Position, End of Year	<u>\$ 165,769,939</u>	<u>\$ 149,458,357</u>	<u>\$ 16,311,582</u>	<u>10.9%</u>

Operating revenue increased by \$7,595,984.

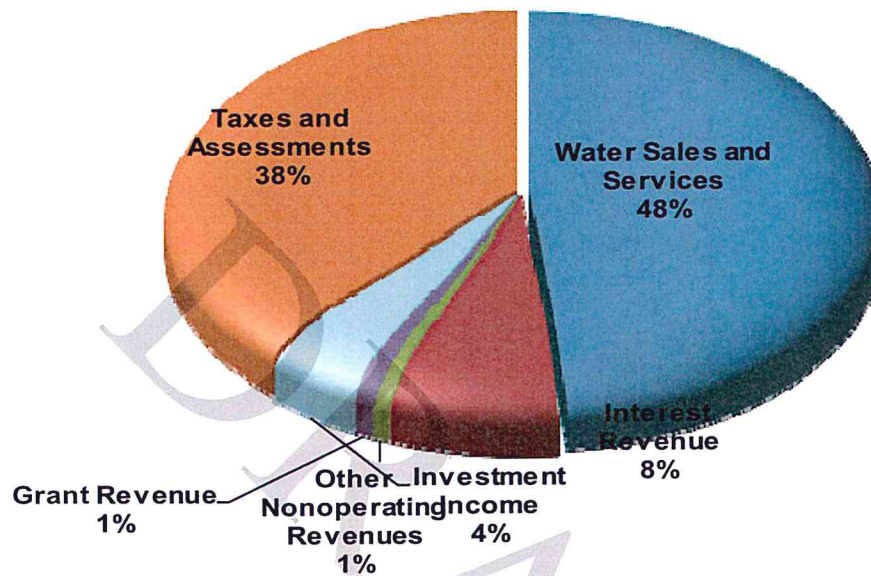
Non-operating revenue reflects an increase of \$4,113,621 from prior year. The increase reflects both an increase in property tax revenue and an increase in interest revenue.

Total expenses increased by \$921,222. Operating expenses increased by \$772,064 primarily due to an increase in pension and cost of water expenses. The non-operating expense increase of \$20,644 is partially due to the reclassification of multi-year projects in FY 2023 reflecting smaller amount of them going forward.

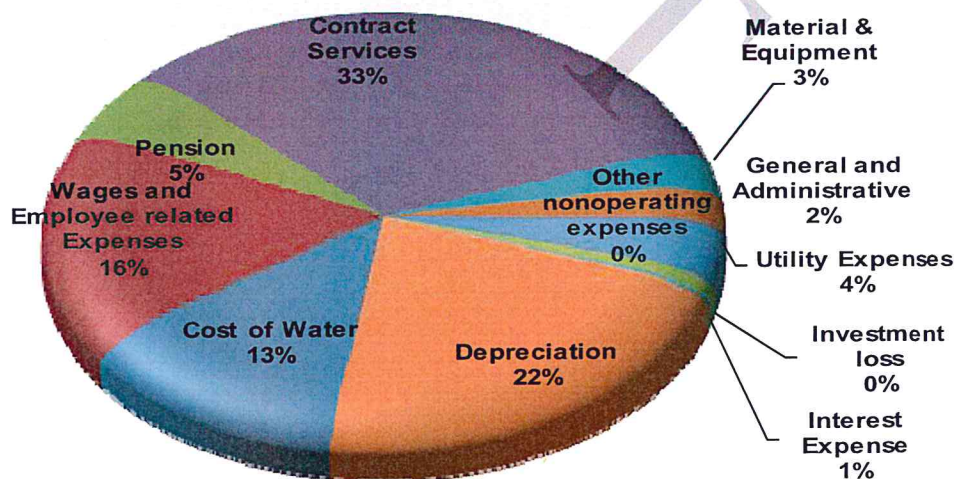
San Benito County Water District
Management's Discussion and Analysis
June 30, 2024

The various operating and non-operating revenues are as follows:

SOURCES OF REVENUE
Fiscal Year Ended 2024



EXPENSES
Fiscal Year Ended 2024



San Benito County Water District

Management's Discussion and Analysis

June 30, 2023

Capital Assets

Capital assets include land and land rights, source of supply plant, pumping plant, transmission and distribution system, general plant, treatment plant and water rights. The change in general plant includes three District vehicles and a tractor. The increase in transmission and distribution plant includes replacement valves and upgrades to the District telemetry equipment and software. The treatment plant change reflects the tracer study for West Hills. Other significant increases are in Water Rights. The Reach 1 Capital Improvement is part of the on-going project with Santa Clara Valley Water District (SCVWD) for major repairs and replacement of equipment at the Reach 1 facilities. The Central Valley Project (CVP) water rights reflect the portion of the payments on the Second Amendment of the USBR contract that are the capital costs for the San Felipe Division.

At June 30, 2024, the District had \$127,016,194 in capital assets with \$32,818,177 in accumulated depreciation and \$11,890,952 in accumulated amortization for a net amount of \$82,307,065 (refer to Notes to Financial Statements No. 6).

San Benito County Water District Condensed Statement of Capital Assets June 30, 2024 and 2023

	2024	2023	Change	
			Amount	Percent
Water rights				
Semitropic Water Storage	\$ 819,116	\$ 776,726	\$ 42,390	5.5%
Central Valley Project	20,907,735	19,035,625	1,872,110	9.8%
San Justo Reservoir	246,462	246,462	-	0.0%
Wright Rd Pipeline	830,850	830,850	-	0.0%
Reach 1 capital improvement	10,042,206	9,985,046	57,160	0.6%
Recycled Water Storage Pond	1,517,625	1,511,540	6,085	0.4%
USBR In-basin capital repayment	2,838,779	2,838,779	-	0.0%
Source of supply plant	3,002,139	3,002,139	-	0.0%
Transmission and distribution plant	21,515,975	21,277,505	238,470	1.1%
Pumping plant	10,271,242	10,271,242	-	0.0%
General plant	2,171,936	1,918,105	253,831	13.2%
Treatment plant	44,417,233	44,379,200	38,033	0.1%
Land and land rights	876,385	876,385	-	0.0%
Construction in process	7,558,511	5,395,325	2,163,186	0.0%
Total capital assets	127,016,194	122,344,929	4,671,265	3.8%
(Accumulated amortization)	(11,890,952)	(10,106,919)	(1,784,033)	17.7%
(Accumulated depreciation)	(32,818,177)	(30,844,889)	(1,973,288)	6.4%
Net capital assets	\$ 82,307,065	\$ 81,393,121	\$ 913,944	1.1%

San Benito County Water District
Management's Discussion and Analysis
June 30, 2023

Long Term Debt

The District had obtained financing in 2016 for capital improvements related to the HUWSTA and the Recycled Water projects for a total of \$5,500,000 with City National Bank. At the end of this fiscal year, the District's remaining obligation for this loan was \$2,708,080. Additional information can be found in Notes to Basic Financial Statements No. 8.

In February 2021, new debt was issued in the amount of \$2,905,000 to pay off the USBR In-Basin Capital obligation to be consistent with the WIIN Act. Additional information can be found in Notes to Basic Financial Statements No. 8 and 14.

In April 2021, new debt was issued in the amount of \$3,016,000 for the CalPERS Unfunded Accrued Liability to reduce the interest on the obligation long term. The payment made to CalPERS is reflected in Deferred Outflows of Resources and will reduce the District's pension liability in the next fiscal year. Additional information can be found in Notes to Basic Financial Statements No. 8 and 10.

San Benito County Water District
Condensed Statement of Long Term Debt
June 30, 2024 and 2023

	June 30, 2024	June 30, 2023	Change	
			Amount	Percent
City National Bank loan payable	\$ 2,708,080	\$ 3,077,128	\$ (369,048)	-12.0%
2021 Water Refunding Obligation				
Bond	2,389,000	2,563,000	(174,000)	-6.8%
2021 Taxable Revenue Obligation				
Bonds	2,461,000	2,630,001	(169,001)	-6.4%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

General Property Tax Revenue

The District's budget includes revenue from general property tax and San Felipe land tax. Changes to the expected tax revenue are considered in the budgeting process.

Interest Rates

The economic environment has provided some increase in interest rates over the last year. The District's investment income is affected by these rates and current economic conditions will be considered in the budgeting process.

Review of Zone 6 Rates and Charges

The Zone 6 process for the review of rates and charges and development of the annual budget considers the impact of the following:

1) Proposition 218

Agencies are subject to a statutory landowner notification and protest process for any rate increases. The District complies with this requirement. Rates have been approved for Zone 6 San Felipe water, Groundwater and Recycled Water through water year 2025-2026.

San Benito County Water District

Management's Discussion and Analysis

June 30, 2023

2) San Felipe Project Reach 1

The District, in conjunction with SCVWD has current and future financial obligations for the operation and maintenance costs of the San Felipe Project, Reach 1 facilities (all facilities from Pacheco Pumping Plant at San Luis Reservoir to the bifurcation structure at Casa de Fruta). In 2007, the District and SCVWD negotiated an agreement with the intent to clarify the business relationship between the two entities as it relates to the operations and maintenance of the Reach 1 facilities. This agreement provided for a review of the current conditions of the facilities, definition of a standard for operating conditions and development of a program to keep the facilities at that standard on an ongoing basis.

SCVWD has developed a comprehensive asset management plan for the ongoing maintenance and repair of the San Felipe Facilities. This asset management plan includes a schedule of future capital projects. The cost of the ongoing maintenance and repair and capital projects is considered in the budgeting and rate setting process.

Since 2007 when the initial condition assessment was done, the District has contributed close to \$9.8 million toward capital projects. This has included major repair of the regulating tank, the communication cable, rebuilding of several pumps (pumps described in the Statistical Section-Facilities) and replacement of the adjustable speed drives on 12 pumps. SCVWD also did a condition assessment of the Pacheco Conduit. The assessment resulted in the installation of new air valves, an acoustic monitoring system which listens for wire breaks and an additional valve at bifurcation. Additionally, the fire suppression system is being upgraded. The current asset management plan calls for an average of 1 pump repair each year at an approximate cost of \$1 million (District's share of \$220,000).

3) United States Bureau of Reclamation (USBR) Central Valley Project (CVP) Water Allocations

Annually, the USBR specifies to each of the contractors in CVP, the initial percentage of their water contract that will be delivered in the upcoming water year which begins March 1. In past recent years, due to the pumping restrictions in the Delta for the protection of endangered species and physical drought in the State, water delivery allocations had been reduced. Allocations also vary from year to year depending on hydrogeological conditions. For water year 2020-2021, the District received 20% of its Agricultural (AG) and 70% of its Municipal and Industrial (M&I) allocations. In 2021-2022, the District received 0% for AG and 25% of historic use for M&I. In water year 2022-2023 to the District was 0% AG and 0% M&I. The USBR allocation for water year 2023-2024 to the District was 100% AG and 100% M&I. The M&I allocation may be adjusted by application for Public Health and Safety needs. The District includes consideration of these volumes in its rate reviews.

4) Zone 6 Groundwater Rates and San Felipe Distribution Rates

The rate base for groundwater rates includes the costs associated with managing the groundwater basin and the costs associated with percolation. Anticipated projects and program costs to address groundwater issues and other surface and groundwater management initiatives, including the Sustainable Groundwater Management Act (effective January 2016) are expected to be included in future rates and charges review. Groundwater rates are expected to increase as the District worked to recover from the groundwater impact of the drought through active percolation and the purchase of additional imported water to offset pumping.

San Felipe water rates are based on the operations and maintenance costs associated with the

San Benito County Water District
Management's Discussion and Analysis
June 30, 2023

delivery of San Felipe water. These costs include the District's share of the operations and maintenance costs for the USBR Central Valley Project, the San Luis & Delta-Mendota Water Authority (SLDMWA), and the San Felipe Reach 1 facility maintained by the SCVWD as well as the District's own operation and maintenance costs. The pass-through costs from other agencies are included in the District's cost of water, and can change as these agencies' O&M, capital and power expenses change. Current rates do not fully recover these operating expenses. The District aims to recover as much of the operating expense as possible through rates, however, given the changes in volume of water available through the CVP, the coverage ratio is subject to variability. Consideration of cost recovery from rates is included in the rates and charges review.

Raw water rates charged to the District's urban distribution customers (the City of Hollister and Sunnyslope County Water District) are considered wholesale rates, and are not subject to Proposition 218. The wholesale rates have been set for water year 2023-2024 to reflect the cost of additional water purchase required for the water treatment plant supply.

5) San Luis & Delta-Mendota Rewind Project

SLDMWA operates the Jones Pumping Plant on behalf of the USBR. The rewind of the six 22,500 horsepower pumps are part of current capital project for the SLDMWA. Each rewind is approximately \$6 million, and all South of Delta contractors, including the District must pay their respective share of the costs based on each agency's contract water deliveries. The first rewind was completed in May 2019 and the last unit was completed in May 2023.

6) B.F. Sisk Reservoir Raise Project

The USBR is working on a project to raise the level of the B. F. Sisk Reservoir (commonly known as San Luis Reservoir) for seismic safety purposes. SLDMWA is doing planning work to explore the possibility of a concurrent project of raising the dam an additional 10 feet to add additional storage space for South of Delta contractors who wish to participate. The District is a participant in the SLDMWA activity agreement that was executed in February of 2025.

7) Delta Mendota Canal Subsidence

Land subsidence has occurred in areas that surround the Delta Mendota Canal that has diminished the carrying capacity of the canal. Repair estimates are approximately \$500 million. SLDMWA is leading efforts to seek federal and state funding for the financing of these repairs. The District would need to pay its proportionate share of costs that are not funded by federal or state grants. The District relies on this canal in the delivery of its CVP water. The solution may have future impact on rates.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need any additional information, contact the District office.

San Benito County Water District
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Hollister, CA 95023
Phone: (831) 637-8218
Fax: (831) 637-7267
www.sbcwd.com

FINANCIAL SECTION

San Benito County Water District
Statement of Net Position
June 30, 2024
(with prior year data for comparison purposes only)

	2024	2023
ASSETS		
Current assets:		
Cash	\$ 52,024,834	\$ 25,014,133
Investments	1,751,855	21,367,622
Receivables, net	3,781,537	3,376,657
Contract receivable - current portion	1,239,271	1,176,176
Prepaid expenses	398,601	101,871
Restricted cash	1,606,098	325,000
Restricted investments	34,552,668	30,293,767
Total current assets	<u>95,354,864</u>	<u>81,655,226</u>
Noncurrent assets:		
Contract receivable - noncurrent portion	18,224,564	19,479,202
Net OPEB asset	75,038	-
Capital assets		
Water rights, net	22,473,042	22,279,330
Depreciable, net	51,399,127	52,842,081
Nondepreciable	8,434,896	6,271,710
Total noncurrent assets	<u>100,606,667</u>	<u>100,872,323</u>
Total assets	<u>195,961,531</u>	<u>182,527,549</u>
Deferred outflows of resources		
Deferred outflows of resources - pension activities	1,854,507	2,961,821
Deferred outflows of resources - OPEB	186,760	227,553
Total deferred outflows of resources	<u>2,041,267</u>	<u>3,189,374</u>

See accompanying notes to the basic financial statements.

San Benito County Water District
Statement of Net Position (continued)
June 30, 2024
(with prior year data for comparison purposes only)

	2024	2023
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	1,010,135	2,854,586
Accrued wages and benefits	45,322	47,927
Compensated absences - current portion	44,251	105,071
City National Bank loan payable - current portion	381,000	369,048
2021 Water Refunding Obligation Bond - current portion	178,000	174,000
2021 Taxable Revenue Obligation Bond - current portion	174,000	169,001
Due to other agencies	1,627,823	1,113,446
Contract customer water prepayments	436,092	961,640
Unearned contract revenue	1,239,271	1,176,176
Total current liabilities	<u>5,135,894</u>	<u>6,970,895</u>
Noncurrent liabilities:		
Compensated absences - noncurrent portion	61,970	49,426
Net OPEB liability	-	10,052
Net pension liability	637,709	331,146
Deposits	105,000	101,500
City National Bank loan payable - noncurrent portion	2,327,080	2,708,080
2021 Water Refunding Obligation Bond - noncurrent portion	2,211,000	2,389,000
2021 Taxable Revenue Obligation Bond - noncurrent portion	2,287,000	2,461,000
Unearned contract revenue	18,224,566	19,479,201
Total noncurrent liabilities	<u>25,854,325</u>	<u>27,529,405</u>
Total liabilities	<u>30,990,219</u>	<u>34,500,300</u>
Deferred inflows of resources		
Deferred inflows of resources - pension activities	895,919	1,395,294
Deferred inflows of resources - OPEB	346,721	362,972
Total deferred inflows of resources	<u>1,242,640</u>	<u>1,758,266</u>
NET POSITION		
Net investment in capital assets	77,209,985	75,752,993
Restricted		
Revolving fund reserve requirement	75,000	75,000
Operation and maintenance reserves	4,630,382	4,395,222
Contract repayment reserves	24,685,457	20,872,875
Other Post Employment Benefit Trust	1,047,079	943,914
Contract replacement reserves	5,024,780	4,331,756
Reliability charge	696,068	-
Unrestricted	52,401,188	43,086,597
Total net position	<u>\$ 165,769,939</u>	<u>\$ 149,458,357</u>

See accompanying notes to the basic financial statements.

San Benito County Water District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024
(with prior year data for comparison purposes only)

	2024	2023
Operating revenue	\$ 16,114,162	\$ 8,518,178
Operating expenses:		
Cost of water	2,203,967	1,875,591
Wages and employee related expenses	2,753,484	2,770,615
Pension cost expense	914,502	2,596,779
Contract services	5,588,512	3,761,037
Material and equipment	488,002	398,527
General and administrative	420,696	425,823
Utility expenses	670,733	439,460
Depreciation and amortization	3,757,321	3,628,807
Total operating expenses	16,797,217	15,896,639
Operating loss	(683,055)	(7,378,461)
Nonoperating revenue (expenses):		
Taxes and assessments	12,597,416	12,058,062
Grant revenue	324,451	21,965
Other nonoperating revenues	235,705	263,537
Interest revenues	2,582,706	1,349,524
Investment gain (loss)	1,465,110	(601,321)
Interest expense	(168,397)	(184,837)
Other nonoperating expenses	(42,354)	(5,270)
Net nonoperating revenue (expenses)	16,994,637	12,901,660
Change in net position	16,311,582	5,523,199
Net position, beginning of year	149,458,357	143,935,158
Net position, end of year	\$ 165,769,939	\$ 149,458,357

See accompanying notes to the basic financial statements.

San Benito County Water District
Statement of Cash Flows
For The Year Ended June 30, 2024
(with prior year data for comparison purposes only)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from operations	\$ 16,622,495	\$ 10,680,764
Cash payments to suppliers for operations	(11,319,740)	(5,212,528)
Cash payments to employees for services and related expenses	(2,444,217)	(2,587,091)
Cash payments for general and administrative expenses	(420,696)	(425,823)
Cash payments to other agencies	(355,272)	(1,743,313)
Net Cash Provided by Operating Activities	<u>2,082,570</u>	<u>712,009</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Taxes and assessments collected	12,031,807	11,492,453
Grant revenue	<u>324,451</u>	<u>21,965</u>
Net Cash Provided by Non-Capital Financing Activities	<u>12,356,258</u>	<u>11,514,418</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(4,671,265)	(2,512,993)
Additions to preliminary survey and construction in progress	-	(854,272)
Principal paid on capital debt	(712,049)	(692,471)
Interest on long-term debt	<u>(168,397)</u>	<u>(184,837)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(5,551,711)</u>	<u>(4,244,573)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received from cash and cash equivalents	2,582,706	1,349,524
Fair market value adjustment	1,465,110	543,057
Maturity of investments	27,450,000	2,906,554
Proceeds from investment accounts	1,999,110	-
Purchase of investments	<u>(14,092,244)</u>	<u>(10,441,081)</u>
Net Cash Provided by (Used for) Investing Activities	<u>19,404,682</u>	<u>(5,641,946)</u>
Net Increase in Cash, Cash Equivalents, and Restricted Cash	<u>28,291,799</u>	<u>2,339,908</u>
Balances, Beginning of Year		
Cash and cash equivalents	25,014,133	20,973,101
Restricted cash	<u>325,000</u>	<u>2,026,124</u>
Balances, Beginning of Year	<u>25,339,133</u>	<u>22,999,225</u>
Balances, End of Year	<u><u>\$ 53,630,932</u></u>	<u><u>\$ 25,339,133</u></u>

See accompanying notes to the basic financial statements.

San Benito County Water District
Statement of Cash Flows (continued)
For the Year Ended June 30, 2024
(with prior year data for comparison purposes only)

	2024	2023
RECONCILIATION TO STATEMENT OF NET POSITION:		
Unrestricted cash and cash equivalents	\$ 52,024,834	\$ 25,014,133
Restricted cash and cash equivalents	1,606,098	325,000
Total Cash, Cash Equivalents, and Restricted Cash	<u>\$ 53,630,932</u>	<u>\$ 25,339,133</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	\$ (683,055)	\$ (7,378,461)
Adjustment to reconcile operating loss to net cash provided by operating activities:		
Other nonoperating revenues (expenses)	193,351	214,866
Depreciation and amortization	3,757,321	3,628,807
Provision (recovery) for allowance for doubtful accounts	(8,218)	(2,169)
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivables	168,947	356,418
(Increase) decrease in contract receivable	1,191,543	1,145,669
(Increase) decrease in prepaid expenses	(296,730)	23,341
Increase (decrease) in accounts payable and accrued expenses	(1,844,451)	1,449,703
Increase (decrease) in due to other agencies	514,377	(873,664)
Increase (decrease) in accrued wages, benefits, and compensated absences	(50,881)	(195,494)
Increase (decrease) in other post employment benefits	(85,090)	(257,323)
Increase (decrease) in pension liabilities	306,563	2,180,965
Increase (decrease) in deposits	3,500	14,000
Increase (decrease) in contract customer water prepayments	(525,548)	881,289
Increase (decrease) in unearned contract revenue	(1,191,540)	(1,145,671)
Deferred outflows of resources - pension activities	1,107,314	946,343
Deferred outflows of resources - OPEB	40,793	317,670
Deferred inflows of resources - pension activities	(499,375)	(530,530)
Deferred inflows of resources - OPEB	(16,251)	(107,151)
Net cash provided by operating activities	<u>\$ 2,082,570</u>	<u>\$ 668,608</u>

See accompanying notes to the basic financial statements.

San Benito County Water District
Statement of Fiduciary Fund Net Position
June 30, 2024

	Water Resources Association Custodial Fund
ASSETS	
Cash	\$ 680,954
Receivables	<u>96,567</u>
Total assets	<u>777,521</u>
LIABILITIES	
Accounts payable	<u>1,838</u>
Total liabilities	<u>1,838</u>
NET POSITION	
Restricted for the Water Resource Association	<u>775,583</u>
Total Net Position	<u><u>\$ 775,583</u></u>

See accompanying notes to the basic financial statements.

San Benito County Water District
Statement of Changes in Fiduciary Fund Net Position
For the Year Ended June 30, 2024

	Water Resources Association Custodial Fund
Addition:	
Agency contributions	\$ 262,700
Investment income	<u>33,056</u>
Total addition	<u>295,756</u>
Deductions:	
Contract services	190,272
Material and equipment	7,740
General and administrative	<u>146,883</u>
Total deductions	<u>344,895</u>
Change in net position	(49,139)
Net position, beginning of year	<u>824,722</u>
Net position, end of year	<u><u>\$ 775,583</u></u>

See accompanying notes to the basic financial statements.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The San Benito County Water District (District) is a water conservation and flood control special district governed by the San Benito County Water Conservation and Flood Control Act codified as Appendix 70 of the California Water Code.

The District is an independent and autonomous agency, governed by a five-member Board of Directors directly elected by electors in five divisions. The boundaries of each division are coterminous with those of the supervisory districts of the County. A director must be a resident of and a registered voter in the division they represent.

District zones are not distinct or separate units of government from the District and the financial operations and activities related to those zones of benefits are included within the District's financial statements as one legal entity. No separate financial statements are prepared for the individual zones of benefits.

The Water Resources Association custodial fund utilizes the accrual basis of accounting for reporting its assets and liabilities. The fund is used to account for receipts and disbursements associated with the Water Resources Association, which is administered, but not the liability of, the District.

The accompanying supplementary information to the District's Financial Statements includes the financial activities of the District Administration (Zone 1), San Benito River System (Zone 3), and the San Felipe Project (Zone 6) and the Ground Sustainability Plan (Zone 7). These zones were formed to undertake projects and provide water supply and related benefits to specific geographic areas within the District.

B. Basis of Accounting

The District's single enterprise fund (a business-type activity) and fiduciary fund are accounted for using the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when they are incurred.

C. Accounting Principles

The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

D. Basis of Presentation and Measurement Focus

The District's single enterprise fund is accounted for on a cost of service or "economic resources" measurement focus. This means that assets and all activities are included on the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in net total assets. The financial statements distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering services in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services for delivering water. Operating expenses include the cost of sales and services, general and administrative expenses, and depreciation of capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. Non-operating revenues include revenues from taxes and assessments that are general purpose and/or special purpose in nature. The Fiduciary fund is used to account for resources held for the benefit of parties outside of the District.

E. Budgets

The District's Board of Directors annually adopts a capital and an operating budget for the ensuing fiscal year effective July 1 as a financial plan for the year. The budget is adopted by the governing Board as an operating plan. Although there is no legal requirement to report budgetary basis financial information in this report, the District's Board of Directors review performance to budget on a quarterly basis.

Debt Management Policy

The District adopted a debt management policy which outlines the purposes for which debt may be issued, methods of financing, and the acceptable structure and term of debt obligations.

F. Joint Powers Agreements

The District is a participant in the Association of California Water Agencies, Joint Powers Insurance Authority (ACWA/JPIA) for the purpose of obtaining property and liability insurance. The District also participates in the San Luis Delta-Mendota Water Authority (SLDMWA) for the purposes of operating and maintaining a portion of the Central Valley Project.

G. New Accounting Pronouncements

The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements for certain accounting and financial reporting guidance.

The District implemented the following statements for the year ended June 30, 2024:

- ◆ GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for periods beginning after June 15, 2023. The Standard had minimal impact on the District's financial statements.

Pending Accounting Standards

GASB has issued the following statements which may impact the District's financial reporting requirements in the future:

- ◆ GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023. The District has not yet determined the effect of the Statement which would apply to the District's fiscal year end June 30, 2024.
- ◆ GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The District has not yet determined

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

the effect of the Statement which would apply to the District's fiscal year end June 30, 2025.

- ◆ GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve the key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District has not yet determined the effect of the Statement which would apply to the District's fiscal year end June 30, 2026.
- ◆ GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District has not yet determined the effect of the Statement which would apply to the District's fiscal year end June 30, 2026.

H. Cash and Investments

Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand, demand deposits, money market accounts, short-term investments with original maturities of three months or less from the date of acquisition and investments with Local Authority Investment Fund (LAIF) managed by the State of California. Deposits in LAIF are generally available for withdrawal on a next day basis and therefore considered cash equivalents.

For purposes of determining cash equivalents, the District has defined its policy concerning the treatment of short-term investments to include investments with a maturity of three months or less when purchased as cash equivalents, if management does not plan to reinvest the proceeds. Short-term investments that management intends to rollover into similar investments are considered part of the investment portfolio and are classified as investments.

Investments - All investments are stated at fair value, except for money market investments which have a remaining maturity of less than one year when purchased, which are stated at fair value.

Under the provisions of the District's investment policy, and in accordance with Section 53601 of the California Government Code, the following investments are authorized:

- ◆ U.S. Treasury Obligations, or Federal Agency Securities
- ◆ FDIC Insured Certificates of Deposit
- ◆ Fully Collateralized Certificates of Deposit
- ◆ Commercial Paper (rated in highest short-term ratings category)
- ◆ California's Local Agency Investment Fund
- ◆ Securities of the State of California, its agencies, or any local agency within the state
- ◆ Medium term corporate notes (rated "A" or better)
- ◆ Negotiable Certificates of Deposit (rated "A" or better)
- ◆ Shares of beneficial interest issued by diversified management companies that are money market funds registered with Securities and Exchange Commission (highest rating by at least 2 rating organizations)

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

- ◆ Registered Treasury Notes or Bonds of any of the other remaining 49 states
- ◆ Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7

Investment Held in Local Agency Investment Fund - The District participates in the LAIF, an investment pool managed by the State of California. LAIF has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as a result of changes in interest rates.

LAIF determines value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available.

The District valued its investments in LAIF as of June 30, 2024, by multiplying its account balance with LAIF times a fair value factor determined by LAIF value for all LAIF participants by total aggregate amortized cost.

I. Receivables

Receivables include amounts due from water utility customers as well as amounts due from property taxes, contracts, interest and other receivables. An allowance for doubtful accounts is made annually. This allowance calculated is based on historical loss experience, delinquency aging, and expected economic and industrial conditions.

J. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

K. Restricted Cash and Investments

Restricted cash and investments represent allocations of cash and investments that are a statutory or contractual requirements. The District has established various accounts to provide for specific activities in accordance with special regulations and restrictions placed by contracts, laws, or regulations of other governments. Specific detail on source of restrictions is provided in Note 8 – Net Position. Restricted resources are used first to fund expenses incurred.

L. Capital Assets

Capital assets are defined by the District as property with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets with high portability (computer equipment, furniture, and shop equipment) are considered for capitalization at an individual cost of more than \$2,500.

Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives. Assets that were placed in service during any fiscal year begin depreciation on the first day of the next fiscal year.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

The estimated useful lives are as follows:

Source of supply plant	25 - 75 Years
Transmission and distribution plant	20 - 75 Years
Pumping plant	7 - 10 Years
Treatment Plant	7 - 25 Years
General plant	5 - 10 Years

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at their acquisition value, market-based entry price on the date contributed. Maintenance and repairs are charged to operations when incurred.

Betterments and major improvements, which significantly increase values, change capacities, or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

The purpose of depreciation is to spread the cost of capital assets equitably among all beneficiaries over the life of these assets, so that each landowner's/customer's bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of depreciable capital assets.

Depreciation and amortization of all capital assets in service, excluding land, are charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation and amortization, is reported on the statement of net position as a reduction in the cost basis of the capital assets.

Construction in progress consist of costs associated with construction in progress and other works in progress including the District's share of participation in multi-agency projects. The costs are capitalized and depreciated at the completion of construction in accordance with the District's Capital Asset Policy.

M. Water Rights

The District participates in various water storage and water rights agreements for imported surface water. These agreements are included in capital assets as water rights.

N. Compensated Absences – Accrued Vacation and Sick Leave Pay

The District's employment policy provides for the accumulation of earned vacation leave and vested sick leave. Due to the limited number of employees, the District has elected not to conduct actuarial assessments of sick leave. Vested or accumulated vacation and sick leave are recognized as an expense and a liability at the time the benefit vests. Accrued vacation and sick leave are reported as current liabilities on the statement of net position.

Maximum vacation accruals are based on years of service within the District. All full-time employees hired prior to July 1, 2020 are eligible for six (6) days of sick leave per fiscal year. All full-time employees hired on or after July 1, 2020 are eligible for twelve (12) days of sick leave per fiscal year. Unused sick leave may be carried over to the limit of 1,040 hours.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

Below is a summary of the changes in the balances of compensated absences is as follows:

June 30, 2023 Balance	\$ 154,497
Additions	244,697
Payments	(292,973)
June 30, 2024 Balance	<u>\$ 106,221</u>

O. Public Employees Retirement System (CalPERS)

The District offers two retirement plans to its employees. Employees hired before January 1, 2013 or hired after January 1, 2013 who meet the definition of "Classic Member" as defined by CalPERS are members of the CalPERS Classic Plan. Employees hired after January 1, 2013 are members of the California Public Employees' Pension Reform Act Plan (PEPRA Plan).

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the San Benito County Water District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS finance office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 9 for the CalPERS Classic Plan disclosures.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

Unfunded Accrued Liability (UAL) Management Policy

A policy was adopted to address the management of the ongoing UAL associated with the District. The policy includes target funding objectives, strategies for minimizing the liability, and consideration of Additional Discretionary Payments during the budgeting process.

P. Other Post-Employment Benefits (OPEB)

The District provides post-employer retirement benefits to its employees to assist with future medical premium costs.

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position has a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The District has the following items that qualify for reporting in this category:

- ◆ Deferred outflows of resources related to pensions are reported in the statement of net position as described further in Note 9.
- ◆ Deferred outflows of resources related to OPEB are reported in the statement of net position as described further in Note 11.

In addition to liabilities, the statement of net position has a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

- ◆ Deferred inflows of resources related to pensions are reported in the statement of net position as described further in Note 9.
- ◆ Deferred inflows of resources related to OPEB are reported in the statement of net position as described further in Note 11.

R. Net Position

The statement of net position reports all financial and capital resources. The difference between assets and liabilities is net position. The three components of net position are:

Net investment in capital assets, net of related debt – This component of net position consists of capital assets, including infrastructure, net of accumulated depreciation and amortization and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – This component of net position consists of constraints placed on the use of net positions by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This category represents net positions of the District that do not meet the definition of "Restricted" or "Net investment in capital assets, net of related debt."

S. Operating Revenue Recognition

Revenue from water sales is based on customer usage which is recognized on a monthly basis or when the customer is contractually obligated to pay, whichever comes first. Well permitting and other operating revenues are recognized at the time the service is provided.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

T. Property Taxes and Assessments

Property taxes and assessments are collected by the County of San Benito and are payable by the taxpayer in two installments each year. The District recognizes property taxes and assessments as non-operating revenue in the fiscal year of levy.

The District levies the following voter-approved taxes and assessments:

- ◆ A land tax on behalf of San Felipe Division of the Central Valley Project (Zone 6). This tax is a per annum assessment based on the assessed valuation of land for properties within Zone 6.
- ◆ A standby charge for the availability of service from the San Felipe Distribution system on properties in the area of Zone 6 served by the pressurized distribution system. This per-acre charge is established annually by the Board of Directors.
- ◆ In addition to special purpose taxes and assessments, the District receives a portion of the County of San Benito general purpose tax, which is allocated to the District by the County.

U. Grants

In the normal course of operations, the District receives grant funds from Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of these audits is not believed to be material.

V. Amortization

The District has contracted with the United States Bureau of Reclamation (USBR) for water service and for the operation and maintenance of certain works of the San Felipe Division of the federal Central Valley Project (CVP). A portion of the payments under this contract represent repayment of the capital cost associated with the San Felipe Division. The capital component is capitalized as Water Rights at the time it is paid and amortized using the straight-line method, over the remaining entitlement period. Current interest on this contract is expensed as it is paid and recorded in Cost of Water.

Capital projects related to the operations and maintenance of the San Felipe Division Reach 1 are capitalized, and the associated costs are amortized using the straight-line method, over the estimated useful life of the asset.

W. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

X. Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Y. Reclassification

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's financial statement presentation.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Primary Government	
Cash	\$ 52,024,834
Investments	1,751,855
Restricted Cash	1,606,098
Restricted Investments	34,552,668
Total Cash and Investments with primary government	89,935,455
Fiduciary Fund	
Cash	680,954
Total Cash and Investments	\$ 90,616,409

The bank balance and carrying value of the District's cash and investments, including restricted and designated balances, at June 30, 2024 were as follows:

	Restricted	Designated	Undesignated Unrestricted	Total
Petty Cash	\$ -	\$ -	\$ 200	\$ 200
Union Bank of California	-	-	4,423,658	4,423,658
Heritage Bank of Commerce	-	-	2,119,664	2,119,664
Local Agency Investment Fund	1,702,022	16,908,762	28,572,550	47,183,334
Union Bank Investment Services	33,505,589	-	1,751,855	35,257,444
Santa Clara Valley Water District (San Felipe - Reach 1 Reserve)	585,030	-	-	585,030
Other Post Employment Benefit Trust	1,047,079	-	-	1,047,079
Total	\$ 36,839,720	\$ 16,908,762	\$ 36,867,927	\$ 90,616,409

Deposits - Cash balances held in banks are qualified as "public funds"; these funds must be FDIC insured or collateralized by the Depository at a rate of 110% and comply in all aspects with the provisions of Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code.

As of June 30, 2024, the District had the following cash and investment maturities:

	Value	Cost	0-3 Months	4-12 Months	13-36 Months
Petty Cash	\$ 200	\$ 200	\$ 200	\$ -	\$ -
Union Bank of California	4,423,658	4,423,658	4,423,658	-	-
Local Agency Investment Fund	47,183,334	47,183,334	47,183,334	-	-
Heritage Bank of Commerce	2,119,664	2,119,664	2,119,664	-	-
Santa Clara Valley Water District	585,030	585,030	585,030	-	-
Other Post Employment Benefit Trust	1,047,079	538,223	1,047,079	-	-
Union Banc Investment Services	35,257,444	35,078,203	12,394,025	11,203,263	11,660,156
Total	\$ 90,616,409	\$ 89,928,312	\$ 67,752,990	\$ 11,203,263	\$ 11,660,156

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

Investments

The District has an investment policy that is overseen by the Investment Committee of the Board of Directors. The investment policy conforms to state law and guidelines and is based on prudent money management principles and practices.

Interest Rate Risk

Interest risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting exposure to fair value losses arising from rising interest rates, the District's investment policy limits the maturity of investments not to exceed 5 years without authorization by the Board of Directors at least 3 months prior to the investment.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the preceding table that shows the distribution of the District's investment by maturity.

Concentration of Credit Risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments represent a concentration. At fiscal year end, the District had no concentration of credit risk investments.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the District and that the District will not be able to recover the value of its investments or collateral securities. Credit risk is mitigated by investing only in U.S. Treasury Obligations, Federal Agency securities and in other high-quality investments, and by diversifying the portfolio so that the failure of any issuer would not unduly harm the District's cash flow. The District diversifies its investments by security type and institution. The District only invests in those instruments that are considered very safe.

As of June 30, 2024, the District's investments with the Local Agency Investment Fund were not categorized as to custodial credit risk. The restricted cash for San Felipe Reach 1 Reserve of \$585,030 is held by Santa Clara Valley Water District within its General Fund.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

Summarized below are the ratings of the District's cash and investments:

Issuers	Value	S&P	Moody's	Veribanc, Inc.	% of Total
Local Agency Investment Fund	\$ 47,183,334	NR	NR	NR	52.1%
Union Bank	4,423,658	A+/ST-2	Baa2	Green/***	4.9%
Heritage Bank	2,119,664	NR	NR	Green/***	2.3%
Santa Clara Valley Water District	585,030	NR	NR	NR	0.6%
Other Post Employment Benefit Trust	1,047,079	NR	NR	NR	1.2%
UBC Investments	35,257,444	A+/ST-2	Baa2	Green/***	38.9%
Total	\$ 90,616,209				100.0%

*NR - denotes Not Rated

Green – denotes the institution's equity exceeds five percent of its assets and it was profitable during the most recent reporting quarter. Of the three color categories, this is the highest based on the criteria described.

*** - denotes institutions that have a Three Star rating.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are not in the possession of an outside party.

Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair market value of 105% of the District's cash on deposit. All of the District's deposits are either insured by the Federal Depositary Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institution in the District's name in accordance with the California Government Code.

Investment in State Investment Pool

The District participates in LAIF, an investment pool managed by the State of California. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. At June 30, 2024, the total fair value amount invested by all public agencies in LAIF is \$178.04 billion and managed by the State Treasurer. No amounts were invested in derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Disclosures Related to Fair Value Measurement

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

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Level 2 – Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted price for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in markets that are inactive.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the District's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). The unobservable inputs are developed based on the best information available in the circumstances and may include the District's own data.

Deposits and withdrawals in governmental investment pools, such as LAIF, are made on the basis of \$1 and not fair value. Accordingly, the District's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 inputs.

The District had the following recurring fair value measurements as of June 30, 2024

Investment Type	Total	Level 1	Level 2	Level 3
U.S Treasury Notes	\$ 35,257,444	\$ -	\$ 35,257,444	\$ -

3. RECEIVABLES, NET

Receivables at June 30, 2024 consisted of the following:

Water utility customer receivables, net of allowance	\$ 683,200
Interest receivable	647,156
Property tax and assessment receivables	324,284
Grant receivables, net of retention	15,407
Agency receivables	2,111,490
Total receivables, net	<u>\$ 3,772,947</u>

The Water utility customer receivables above reflect an allowance for doubtful accounts in the amount of \$62,174.

Grant receivables are recorded net of retention. The District has one grant at June 30, 2024 that is expected to be complete in the next fiscal year.

Agency receivables are reimbursements due from other agencies for shared expenses per cooperative memorandum of understandings related to projects. These receivables represent the expenses for the fiscal year ended June 30, 2024 and are expected to be reimbursed in the next fiscal year.

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4. CONTRACT RECEIVABLE

In August 2013, the District, Sunnyslope County Water District (SSCWD) and City of Hollister (COH) each approved the Hollister Urban Water Supply and Treatment Agreement (HUWSTA). The agreement defined the roles and terms of financing for the project which included the upgrade of Lessalt Water Treatment Plant, the design and construction of the West Hills Water Treatment Plant and associated pipelines. The District was to finance, build, own and operate the upgraded Lessalt Water Treatment Plant and the new West Hills Water Treatment Plant.

The District financed \$30 million of the project costs. The District contributed \$10 million in non-reimbursable funds, of which \$4 million was made available for the first tranche of financing and \$6 million was made available for the second tranche of financing. COH opted to use their share of the non-reimbursable funds to buy down the capital component. SSCWD used their share as rate stabilization which was applied to the finished water payments during the first years of operation. The District funded the first tranche of \$13 million on the effective date of the agreement. The second tranche of \$17 million was made available on May 1, 2015, to support the execution of a contract for construction of the West Hills Water Treatment Plant. In January 2016, the third tranche of financing for \$4 million was funded through a loan agreement with City National Bank.

The agreement calls for the District to recover this investment in the capital projects from the COH and SSCWD over a 15–30 year period through a capital component, including interest, in the finished water rate. At June 30, 2024, the tranches combined capital component is \$19,463,837. The current portion of the contract is \$1,239,271 and is reflected in current assets. The noncurrent portion of \$18,224,564 is reflected in noncurrent assets. The current unearned portion of the contract of \$1,239,271 is included as unearned contract revenue.

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5. CAPITAL ASSETS

The changes in capital assets of the District for the year ended June 30, 2024 are summarized as follows:

	Balance as of June 30, 2023	Current Year Activity		Balance as of June 30, 2024
		Additions	Dispositions	
Water rights				
Semitropic Water Storage	\$ 776,726	\$ 42,390	\$ -	\$ 819,116
Central Valley Project	19,035,625	1,872,110	-	20,907,735
San Justo Reservoir	246,462	-	-	246,462
Wright Rd Pipeline	830,850	-	-	830,850
Reach 1 capital improvement	9,985,046	57,160	-	10,042,206
Recycled Water Storage Pond	1,511,540	6,085	-	1,517,625
USBR In-basin capital repayment	2,838,779	-	-	2,838,779
Depreciable capital assets				
Source of supply plant	3,002,139	-	-	3,002,139
Transmission and distribution plant	21,277,505	238,470	-	21,515,975
Pumping plant	10,271,242	-	-	10,271,242
General plant	1,918,105	253,831	-	2,171,936
Treatment plant	44,379,200	38,033	-	44,417,233
Non-depreciable capital assets				
Land and land rights	876,385	-	-	876,385
Construction in process	5,395,325	2,163,186	-	7,558,511
Total capital assets	122,344,929	4,671,265	-	127,016,194
(Accumulated amortization)	(10,106,919)	(1,784,033)	-	(11,890,952)
(Accumulated depreciation)	(30,844,889)	(1,973,288)	-	(32,818,177)
Net capital assets	\$ 81,393,121	\$ 913,944	\$ -	\$ 82,307,065

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Amortization and depreciation expense was charged to projects for the year ended June 30, 2024 as follows:

	Balance as of June 30, 2023	Current Year Activity		Balance as of June 30, 2024
		Increase	Decrease	
Amortization				
Water Rights				
Central Valley Project	\$ (5,117,959)	\$ (994,244)	\$ -	\$ (6,112,203)
San Justo Reservoir	(171,089)	(24,645)	-	(195,734)
Wright Rd Pipeline	(96,931)	(13,849)	-	(110,780)
Reach 1 capital improvement	(4,049,084)	(500,097)	-	(4,549,181)
Recycled water-storage pond	(293,349)	(61,949)	-	(355,298)
USBR In-basin capital repayment	(378,507)	(189,249)	-	(567,756)
Total amortization	(10,106,919)	(1,784,033)	-	(11,890,952)
Depreciation				
Source of supply plant	(1,906,483)	(48,612)	-	(1,955,095)
Transmission and distribution plant	(11,492,297)	(391,543)	-	(11,883,840)
Pumping plant	(8,514,246)	(250,743)	-	(8,764,989)
General plant	(1,282,742)	(101,795)	-	(1,384,537)
Treatment plant	(7,649,121)	(1,180,595)	-	(8,829,716)
Total depreciation	(30,844,889)	(1,973,288)	-	(32,818,177)
Amortization and depreciation	\$ (40,951,808)	\$ (3,757,321)	\$ -	\$ (44,709,129)

6. INVESTMENT IN JOINT VENTURES

The District participates in two joint ventures under Joint Powers Agreements (JPA) with the Association of California Water Agencies and the San Luis & Delta-Mendota Water Authority. The relationship between the District and the JPA's is such that the JPA's are not component units of the District for financial reporting purposes.

Association of California Water Agencies-Joint Powers Insurance Authority (ACWA-JPIA)

The ACWA-JPIA arranges for and provides property and liability insurance for its nearly 394 members. ACWA-JPIA is governed by a board consisting of a representative from each member district. The board controls the operations of ACWA-JPIA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board.

Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in ACWA-JPIA. Separate financial statements of ACWA-JPIA can be obtained by request to Finance Department, 2100 Professional Drive, Roseville, CA 95661.

San Luis & Delta-Mendota Water Authority (SLDMWA)

The SLDMWA operates and maintains a portion of the Central Valley Project (CVP) for its 27 members. SLDMWA is governed by a board consisting of representatives from each member district. The board controls the operations of the SLDMWA, including selection of executive management and approval of operation and maintenance budgets, independent of any influence by the member district beyond their representation on the board. Each member district pays

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membership dues proportionate to their United States Bureau of Reclamation (USBR) water contract entitlement and operation and maintenance costs based on conveyance rates established by the SLDMWA. Separate financial statements of SLDMWA can be obtained at P.O. Box 2157, Los Banos, CA 93635.

Condensed financial information of ACWA-JPIA and SLDMWA is as follows:

	September 30, 2023 ACWA-JPIA	February 28, 2022 SLDMWA
Total assets	\$ 288,462,503	\$ 110,196,857
Deferred Outflows of Resources	4,654,911	187,252
Total liabilities	(167,203,667)	(99,182,091)
Deferred Inflows of Resources	(5,200,835)	-
Net Position	<u>\$ 120,712,912</u>	<u>\$ 11,202,018</u>
Total revenues	\$ 248,013,664	\$ 193,650,307
Total expenditures	(240,084,673)	(194,307,491)
Net increase (decrease)	<u>\$ 7,928,991</u>	<u>\$ (657,184)</u>

7. LONG TERM LIABILITIES

The following is a summary of long-term liabilities for the year ended June 30, 2024:

	June 30, 2023	Increases	Decreases	June 30, 2024	Due Within One Year
Direct Borrowing and Placement					
City National Bank Loan Payable	\$ 3,077,128	\$ -	\$ 369,048	\$ 2,708,080	\$ 381,000
2021 Water Revenue Refunding Obligation Bonds (WIIN Act Project)	2,563,000	-	174,000	2,389,000	178,000
2021 Taxable Revenue Obligation Bonds (CalPERS UAL)	2,630,001	-	169,001	2,461,000	174,000
Total Direct Borrowing and Placement	<u>\$ 8,270,129</u>	<u>\$ -</u>	<u>\$ 712,049</u>	<u>\$ 7,558,080</u>	<u>\$ 733,000</u>

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City National Bank Loan

In December 2015, the District entered into a loan agreement with Municipal Finance Corporation for the amount of \$5,500,000. This loan was immediately transferred to City National Bank. The loan is payable in quarterly installments for a term of 15 years beginning April 2016. The annual interest rate is 3.2% and is reflected as non-operating interest expense.

This financing is in support of capital projects related to the HUWSTA and Recycled Water. Repayment of the loan is from pledged future revenues. The outstanding principal balance at June 30, 2024 was \$2,708,080.

The District has no unused lines of credit with City National Bank or any other entity. The net revenues have been pledged as collateral for the City National Bank debt. The District must maintain a debt service coverage ratio of 1.15:1. Events of default include failure to make timely payments, violation of debt service covenant and bankruptcy. City National Bank has the option to accelerate principal and interest payments as a remedy of default.

The following is a summary of principal maturities of City National Bank loan debt as of June 30, 2024:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 381,000	\$ 82,117	\$ 463,117
2026	393,339	69,778	463,117
2027	406,078	57,039	463,117
2028	419,229	43,888	463,117
2029	432,806	30,311	463,117
2030-2031	675,628	19,043	694,671
Total	<u>\$ 2,708,080</u>	<u>\$ 302,176</u>	<u>\$ 3,010,256</u>

2021 Water Revenue Refunding Obligation Bonds (WIIN Act Project)

On February 8, 2021, the Board authorized the issuance of Series 2021 Water Revenue Refunding Obligations in the amount of \$2,905,000. The closing was undertaken and consummated on February 24, 2021 with Zions Bancorporation, N.A. This financing funded the repayment of San Benito County's "in-basin" portion of the CVP capital costs pursuant to the Water Infrastructure Improvement of the Nations Act in the amount of \$2,838,779 and the issuance cost of \$66,221. The Bank purchased the obligations and had no present intent of reoffering the Obligations to the general public and intend to hold the Obligations as a portfolio investment. The loan is payable with annual principal and semi-annual interest payments at the rate of 2.02% for 15 years. Payments will begin in August 2021 and end February 2036. The outstanding principal balance as of June 30, 2024 was \$2,389,000.

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Debt service requirements to maturity for 2021 Water Revenue Refunding Obligation Bonds (WIIN Act Project) are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 178,000	\$ 48,257	\$ 226,257
2026	181,000	44,662	225,662
2027	185,000	41,006	226,006
2028	189,000	37,269	226,269
2029	193,000	33,451	226,451
2030-2034	1,025,000	107,161	1,132,161
2035-2036	438,000	13,311	451,311
Total	<u>\$ 2,389,000</u>	<u>\$ 325,117</u>	<u>\$2,714,117</u>

2021 Taxable Revenue Obligations (CalPERS UAL)

The District is obligated to California State Public Employees' Retirement System (CalPERS) under a certain contract, by and between the District and CalPERS, as amended from time to time (the "CalPERS Contract"), to make contributions to CalPERS in exchange for CalPERS providing retirement benefits for its retirees. CalPERS determines, based on actuarial methods, a percentage rate of regular salary required to fund earned pension benefits. If the total amount of accumulated contributions is less than the total forecasted cost of earned pension benefits, the difference represents an Unfunded Accrued Liability (UAL). On April 14, 2021 the Board authorized the issuance of Series 2021 Taxable Revenue Obligations in the amount of \$3,016,000 with Resolution No. 2021-05 to fund the CalPERS UAL Prepayment project. The Obligation was financed with Sterling National Bank on April 29, 2021 in the amount of \$3,016,000 comprised of the CalPERS UAL payoff of \$2,945,976 and \$70,024 of issuance costs. The loan is payable with annual principal and semi-annual interest payments at the rate of 2.92% for 15 years beginning August 1, 2021. This funding reduced interest costs associated to the UAL. The outstanding principal balance as of June 30, 2024 is \$2,461,000.

Debt service requirements to maturity for 2021 Taxable Revenue Obligations (CalPERS UAL) are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 174,000	\$ 69,320	\$ 243,320
2026	179,000	64,167	243,167
2027	184,000	58,867	242,867
2028	190,000	53,407	243,407
2029	195,000	47,786	242,786
2030-2034	1,067,000	148,643	1,215,643
2035-2036	472,000	13,870	485,870
Total	<u>\$ 2,461,000</u>	<u>\$ 456,059</u>	<u>\$2,917,059</u>

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8. NET POSITION

Net position represents the difference between assets and liabilities. Designations of unrestricted net position represent the District Board of Director's intention for the use of resources. The net position amounts at June 30, 2024 were as follows:

Net investment in capital assets	<u>\$ 77,209,985</u>
Restricted:	
District Revolving Fund Reserve	75,000
Operation and Maintenance Reserves	
San Felipe-Hollister Conduit Reserve	250,000
San Felipe-Reach 1 Reserve	585,030
Reach 1 Major Repair - Replacement Reserve	3,795,352
USBR Contract Repayment - Rate Management Reserve	24,685,457
Other Post Employment Benefit Trust Reserve	1,047,079
Hollister Urban Area Project Water Treatment Facilities -	
Reliability charge	696,068
Replacement Reserve	5,024,780
Total restricted	<u>36,158,766</u>
Unrestricted:	
Designated	
Operations	3,338,022
Capital Asset Replacement	4,063,736
Capital Improvements	5,492,339
Self-Insurance	100,000
Water Supply	2,270,980
Pacheco Reservoir	1,643,685
	<u>16,908,762</u>
Undesignated	<u>35,492,426</u>
Total unrestricted	<u>52,401,188</u>
Total net position	<u>\$ 165,769,939</u>

Restricted Net Position

Net position is 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. There are no net positions restricted by enabling legislation.

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Restricted Net Position	Source of Restriction
District Revolving Fund Reserve	San Benito County Water Conservation and Flood Control District Act (Section 70-7).
San Felipe-Hollister Conduit Reserve	USBR Contract Central Valley Project-Contract Between the United States and 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).
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 Control District.
USBR Contract Repayment 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.
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.
Hollister Urban Area Project Water Treatment Facilities-Replacement Reserve	Hollister Urban Area Water Supply and Treatment Agreement between the San Benito County Water District, City of Hollister, and Sunnyslope County Water District.
Other Post Employment Benefit Trust (OPEB) Reserve	Agreement Between San Benito County Water District and California Employee Retirement Benefit Trust.
Reliability Charge M&I	Funds collected for the Reliability Charge can only be used on projects related to future water reliability

9. EMPLOYEE RETIREMENT PLANS

A. General Information about the Pension Plan

Plan Description - All qualified employees are eligible to participate in the San Benito County Water District's (the District) Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment.

The District's Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2.5%	2.0%
Required employee contribution rates	7.960%	7.750%
Required employer contribution rates	13.340%	7.680%

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas for newly hired members, PEPRA also effectively closed all existing active risk pools to new employees.

Contribution Description - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The District's contributions were as follows:

	Fiscal Year Paid	
	2023/24	2022/23
Misc Classic	\$ 101,185	\$ 128,162
Misc PEPRA	70,173	51,825
Additional UAL	-	9,974
	<u>\$ 171,358</u>	<u>\$ 189,961</u>

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B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, the District reported net pension liabilities (assets) for its proportionate share of the net pension liability as of June 30, 2024 and 2023 were as follows:

	Proportionate Share of Net Pension Liability	
	Fiscal Year Ended	
	June 30, 2024	June 30, 2023
District's Miscellaneous Plan	\$ 637,709	\$ 331,146
Total Net Pension Liability	\$ 637,709	\$ 331,146

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions for all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2024 and 2023 were as follows:

	Percentage Share of Plan		Change: Increase
	6/30/2024	6/30/2023	
Measurement date	6/30/2023	6/30/2022	
Percentage of Plan (PERF C) NPL	0.00511%	0.00287%	0.00224%

For the year ended June 30, 2024, the District recognized pension expense of \$914,502. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 32,578	\$ 5,054
Changes of assumptions	38,501	-
Net difference between projected and actual earnings on pension plan investments	103,251	-
Change in employer proportion	979,609	440,617
Difference between the employer's contribution and the employer's proportionate share of contributions	529,210	450,248
Pension contributions subsequent to measurement date	171,358	-
Total	\$ 1,854,507	\$ 895,919

The deferred outflows of resources to contributions of \$171,358 were subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows (Inflows) of Resources
2024	\$ 483,896
2025	260,634
2026	39,739
2027	2,961
Total	<u>\$ 787,230</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability - For the measurement period ended June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022 total pension liability determined in the June 30, 2022 actuarial accounting valuation. The June 30, 2023 total pension liability were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS's Membership Data for all Funds
Post Retirement Benefits Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

*Derived using CalPERS' Membership Data for all Funds. The morality rate includes 15 years of projected on-going mortality improvements using 80% of Scale MP 2020 published by the Society of Actuaries.

Change of Assumption – No changes.

Discount Rate – The discount rate used to measure the total pension liability for PERF C was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were

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calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class per the CalPERS' Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024 are as follows:

Asset Class*	Assumed Asset Allocation	Real Return Years 1-10**
Global equity	42.00%	4.17%
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59

*In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

**An expected inflation of 2.30% used for this period

Amortization of Deferred Outflows and Deferred Inflows of Resources – Net Difference Between Projected and Actual Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earning on Pension Plan Investments is amortized over the remaining amortization periods. Net Difference Between Projected and Actual Investment Earning on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

Deferred Outflows of Resources and Deferred Inflows of Resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for PERF C for the June 30, 2023 measurement date is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of all active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the proportionate share of the net pension liability (asset) of the District's Plan as of the Measurement Date June 30, 2023, calculated using the discount rate of 6.90 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate		
	5.90%	6.90%	7.90%
	(1% Decrease)	(Current Rate)	(1% Increase)
Measurement Date		June 30, 2022	
Fiscal Year End		June 30, 2023	
Net Pension Liability (Asset)	\$ 2,452,817	\$ 637,709	\$ (856,283)

Pension Plan Fiduciary Net Positions – Detailed information about each plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Subsequent Events – There were no subsequent events that would materially affect the results presented in this disclosure.

10. DEFERRED COMPENSATION PLAN

Employees of the District are eligible to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code 457(b). Under the plan, employees may elect to defer a portion of their salaries before taxes.

The deferred compensation amount is not available for withdrawal by employees until termination of employment, death, disability, or financial hardship. Participants can elect to contribute up to 100% of their annual compensation, not to exceed limits established by the Internal Revenue Code.

The District has three deferred compensation plans created in accordance with Internal Revenue Code Section 457. The Small Business Job Protection Act of 1996 requires the establishment of a trust or similar vehicle to ensure that the assets of the Deferred Compensation Plans under the Internal Revenue Code 457 are protected and used exclusively for the benefit of Plan participants and/or their beneficiaries.

The 457 Plan assets totaling \$2,104,450 at June 30, 2024, consists of investments in mutual funds.

Financial institutions that administer the District's 457 Plans are as follows:

Valic	\$ 228,649
Mass Mutual	823,255
CalPERS	1,052,546
Total	<u>\$2,104,450</u>

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

11. OTHER POST-EMPLOYMENT BENEFITS

A. General Information about the OPEB Plan

Plan Description- The District joined the Public Employees' Medical & Hospital Care Act (PEMHCA) in the year 2000 for its employees, offered through the California Public Employees' Retirement System (CalPERS). It is an agent multiple employer plan administered by CalPERS. The healthcare plan which provides medical insurance benefits to active and eligible retirees and their families in accordance with memoranda of understanding with employee groups and adoption by the Board of Directors.

The plan information is as follows:

<u>Fiscal Year End</u>	<u>June 30, 2024</u>
Plan type	Agent Multiple Employer
Other Post Employment Benefit Trust	Yes
Special funding situations	No
Nonemployer contributing entities	No

Benefits and Eligibility- The District provides PEMHCA post-retirement healthcare benefits to all full-time employees who retire directly from the District after the age of 55 years and with 5 years of CalPERS service. The Minimum Employer Contribution amount is prescribed by Government Code Section 22892 of the PEMHCA. It was originally established as a specific dollar value with specified increases from calendar years 2004 through 2008. Starting in calendar year 2009, the calculated adjustments were based upon the medical care component of the Consumer Price Index-Urban (CPI-U) which is consistent with CalPERS. At that time, the District opted for the unequal method of distribution. In 2024, the District was required to pay 100% of the minimum required contribution which is \$157.

In addition, the District provides supplemental contributions to all employees who retire directly from the District combined with a regular service retirement through CalPERS. Employees must be at least 55 years of age and have a minimum 10 years of District service at retirement.

The District's monthly supplemental contributions are as follows:

<u>Number of District Service Years</u>	<u>Age at Retirement</u>		
	<u>55</u>	<u>60</u>	<u>65</u>
10 - 14	\$100	\$130	\$195
15 - 19	\$135	\$180	\$270
20+	\$175	\$232	\$348

All eligible retirees will receive the supplemental contribution regardless of PEMHCA enrollment.

In lieu of the above, the District Manager is eligible for a \$500 monthly supplemental contribution.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

Employees Covered- As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms:

June 30, 2024 Fiscal Year End June 30, 2023 Measurement Date	Covered Employees
Inactive employees currently receiving benefit payments	10
Inactive employees entitled to but not yet receiving benefit payments	7
Active employees	17
Total employees	34

Contributions- The District pays benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2024, the District's cash benefit payments were \$41,088, administrative costs of \$133, and implied subsidy payments of \$6,338, resulting in total payments of \$47,559.

B. OPEB Liabilities, OPEB Expenses, and Deferred Outflows/Inflows of Resources Related to OPEB

OPEB Liability (Asset)- As of the June 30, 2023 measurement date, the District's total OPEB liability (asset) were as follows:

Fiscal Year Ended Measurement Date	6/30/2024 6/30/2023	6/30/2023 6/30/2022
Total OPEB liability (TOL)	\$ 869,252	\$ 897,313
Fiduciary Net Position (FNP)	944,290	887,261
Net OPEB Liability (NOL)	\$ (75,038)	\$ 10,052
Funded Status (FNP/TOL)	108.6%	98.88%

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

Changes in the OPEB Liability (Asset)- The changes in the total OPEB liability (asset) for the District Plan are as follows:

<u>Changes in Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Balance at June 30, 2023 (Measurement Date June 30, 2022)	\$ 897,313
Service cost	38,982
Interest	57,320
Benefits	-
Actual vs. expected experience	(72,263)
Changes of assumptions	(13,769)
Employer contributions	-
Employee contributions	-
Benefit payments	(38,331)
Administrative expenses	-
Net changes	(28,061)
Balance at June 30, 2024 (Measure Date June 30, 2023)	\$ 869,252

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB- For the fiscal year ended June 30, 2024, the District recognized OPEB credit of \$13,382. As of fiscal year ended June 30, 2024, the District reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings	\$ -	\$ 136,517
Differences between expected and actual experience	27,969	210,204
Changes of assumptions	111,232	-
Employer contributions made after measurement date	47,559	-
Total	\$ 186,760	\$ 346,721

Deferred outflows of resources in the amount of \$47,559 related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

Other amounts reported as deferred inflows of resources related to OPEB will be recognized as income as follows:

Fiscal Year Ended June 30,	Deferred (Inflows) of Resources
2024	\$ (48,282)
2025	(50,016)
2026	(49,433)
2027	(32,574)
2028	(13,491)
Thereafter	(13,724)
Total	<u>\$ (207,520)</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources- To smooth market volatility, gains and losses related to changes in total OPEB liability and fiduciary net position are recognized over five years. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

Actuarial Methods and Assumptions Used to Determine the OPEB Liability- The District's net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 to determine the June 30, 2024 total OPEB liability, based on the following actuarial methods and assumptions:

Significant Actuarial Assumptions and Methods used for Total OPEB Liability:

Fiscal Year End	June 30, 2024
Measurement Date	June 30, 2023
Valuation Date	June 30, 2023
Funding Policy	Ad hoc, Full ADC payment or equivalent assumed
Actuarial value of Assets	Investment gains and losses spread over a 5-year period, not to be less than 80% nor more than 120% of market value
Discount rate	6.25%, net of investment expenses, CERBT Strategy #1
General Inflation	2.50% per annum
Mortality	CalPERS 2000-2019 experience study
Retirement	CalPERS 2000-2019 experience study
Disability	CalPERS 2000-2019 experience study
Termination	CalPERS 2000-2019 experience study
Mortality Improvement Scale	Mortality projected fully generational with Scale MP-2021
Salary increases	Aggregate - 2.75% per annum Merit - tables from CalPERS 2000-2019 experience study
Medical trend	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076 Medicare - 6.90 % for 2026, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA minimum increase	3.50% per annum
Healthcare participation	Actives: 100% for supplemental contribution Actives: 40%-90% for PEMHCA contribution based on age & service at retirement Retirees: 100% if currently covered
Change of assumptions	Updated medical and PEMHCA minimum trend rate
Changes of benefit terms	None

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

Discount Rate- The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all prior periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analysis- The following schedule shows the impact of the total OPEB liability (asset) if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.25%) in measuring the total OPEB liability (asset).

	Discount Rate		
	5.25%	6.25%	7.25%
	(1% Decrease)	(Current Rate)	(1% Increase)
Measurement Date		June 30, 2023	
Fiscal Year End		June 30, 2024	
Total OPEB Liability (Asset)	\$ 26,339	\$ (75,038)	\$ (160,441)

Medical Trend Sensitivity Analysis- The following presents the total OPEB liability (asset) of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	Medical Trend		
	(1% Decrease)	(Current Trend)	(1% Increase)
Measurement Date		June 30, 2023	
Fiscal Year End		June 30, 2024	
Total OPEB Liability	\$ (127,138)	\$ (75,038)	\$ (10,557)

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In an effort to manage its risk exposure, the District is a member of Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA).

The ACWA/JPIA is a risk-pooling self-insurance authority, created under provisions of California Government Code Section 6500 et seq. As part of this service, risk management guidelines are established and regularly reviewed by ACWA/JPIA. The District performance has been reviewed as satisfactory.

The District has a program of self-insurance for comprehensive and collision on the vehicles owned by the District. At June 30, 2024, self-insurance reserves were \$100,000.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

The District has the following insurance policies:

Coverage	Deductible	Coverage Limit (in thousands)
General liability	N/A	Ranging from \$5,000 to \$55,000
Cyber liability	N/A	Ranging from \$3,000 to \$5,000
Auto liability	N/A	Ranging from \$5,000 to \$20,000
Public officials liability	N/A	Ranging from \$5,000 to \$20,000
Property		
Buildings, personal property, and fixed equipment	\$5,000	\$500,000
Mobile equipment	\$2,500	\$500,000
Boiler and machinery	\$25,000/\$50,000	\$100,000 per occurrence
Crime	\$1,000	Ranging from \$1 to \$100
Workers' compensation	N/A	Ranging from \$0 - \$4,000

There have been no significant reductions in any insurance coverage, nor have there been any insurance related settlements that exceeded insurance coverage during the past three fiscal years.

13. CONTINGENCIES AND COMMITMENTS

United States Bureau of Reclamation Water Supply Contract

On April 10, 1978, the District entered into a contract with the United States Bureau of Reclamation (USBR) for water service from the San Felipe Division of the Federal Central Valley Project (CVP). The CVP water service contract provides for both agricultural and municipal and industrial (M&I) water deliveries to the District up to a total maximum annual entitlement of 43,800 acre-feet per year.

Second Amendment to the Contract with USBR for Water Service

The District in partnership with the Santa Clara Valley Water District (SCVWD) negotiated a USBR Water Supply Contract Renewal in accordance with the USBR implementation of the Central Valley Project Improvement Act (CVPIA) and the 1997 Binding Agreement to Negotiate between the USBR and the District. The District also negotiated an amendment to its 1978 contract meeting the minimum requirements of the CVPIA to assure a continuing water supply in the event the renewal contract could not be signed, was delayed, or invalidated by legal action.

On March 28, 2007, the District signed the second amendment to USBR contract. This amended contract provided for a fixed repayment obligation and repayment schedule for the specific San Felipe facilities that serve the District.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

The agreement calls for fixed semi-annual payments to the USBR due on January 1 and July 1 each year as illustrated below:

<u>Fiscal Year(s)</u>	<u>Semi-Annual Payment</u>	<u>Annual Obligation</u>
2007-2016	\$ 696,076	\$1,392,152
2017-2026	971,076	1,942,152
2027-2036	3,492,303	6,984,606

The total commitment, including capital and interest components, of the repayment contract is \$98.9 million. The remaining estimated capital commitment as of June 30, 2021 is \$68.9 million. This allocation is based on the USBR plant-in-service costs for San Felipe Division facilities that are specifically for service to the District (Hollister Conduit including the San Juan Lateral, San Justo Reservoir) and the District share of San Felipe Reach 1 facilities. The SCVWD and the District partnership basis of negotiation with the USBR, including negotiation of the capital cost allocation and repayment schedule, required a subsequent agreement between SCVWD and the District. That agreement, referred to as Agreement for Repayment and Management of San Felipe Division Facilities, was negotiated and adopted by the District's Board of Directors on January 3, 2007. As part of that agreement, SCVWD and the District agreed to share the use of the existing uncommitted capacity of the San Felipe Reach 1 facilities. The capital costs for the uncommitted capacity are included in SCVWD's repayment schedule to the USBR until 2036. The District has an option to exercise its right to retain its proportionate share of the use of the Reach 1 uncommitted capacity if it reimburses SCVWD \$4,130,709 by September 30, 2036. Interest will accrue at the 5-year Treasury note rate beginning November 2026.

Amended and Restated Contract Between the United States and San Benito County Water District (WIIN ACT Contract)

On December 16, 2016, the 114th Congress of the United States of America enacted the Water Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130 Stat. 1628) (WIIN Act). Section 4011(a)(1)(A) of the WIIN Act provides that, upon request of the contractor, the Secretary of the Interior shall convert any water service contract entered into under section (e) of the Reclamation Project Act of 1939 (53 Stat. 1195) to a repayment contract under section 9(d) of that Act (53 Stat. 1195). A repayment contract has the advantages that it is permanent and, once the remaining capital obligation, including San Felipe Division Facilities, is fully satisfied, lands within the contractor's service area are no longer subject to acreage limitation and full cost pricing of water. The contract will continue as long as the contractor continues to pay the applicable contractual charges. Additionally, the WIIN Act earmarks the accelerated payment of outstanding CVP capital costs from converted repayment contracts to an account that will be used by Reclamation to partially fund development of additional water storage projects, some of which may benefit the District.

Notwithstanding the conversion of a water service contract to a repayment contract under the WIIN Act, the conversion does not increase entitlement to CVP water deliveries. Instead, the repayment contracts are still subject to the same water entitlements, and the same CVP contract shortage provisions and policies that exist today. Reclamation will adhere to its existing process for determining water allocations based upon annual hydrological conditions and requirements to support environmental and water quality protections to the Delta and its tributaries. The repayment contract will also not change the facilities used or the manner in which water is distributed to the contractor.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

On October 28, 2020 the Board of Directors: (1) adopted Resolution No. 2020-17, A Resolution of the Board of Directors of the San Benito County Water District Authorizing the Filing of a Notice of Exemption from the California Environmental Quality Act for Approval of and Authorization to Execute the Amended and Restated Contract Between the United States and San Benito County Water District for Water Service, Facilities Repayment, and for Operation and Maintenance of Certain Works of the San Felipe Division; and (2) authorize District Counsel to file a validation action for the Repayment Contract which was filed November 9, 2020 and the validation judgement was granted by the Superior Court of San Benito County on February 16, 2021.

The Amended and Restated Contract between the United States and San Benito County Water District was entered into on January 22, 2021.

On February 8, 2021, the Board authorized the issuance of Series 2021 Obligations in the amount of \$2,905,000. The closing was undertaken and consummated on February 24, 2021. This financing funded the repayment of San Benito County's "in-basin" portion of the CVP capital costs pursuant to the Water Infrastructure Improvement of the Nations Act. (Refer to Note 8)

Future CVP Rates

Future CVP operations and maintenance rate increases are probable. Current USBR CVP rate policies and practices provide for annual rate determinations and through the supporting information provide the basis for determining those rates.

San Juan Water Supply Program

The District and City of San Juan Bautista (CSJB) entered into a Memorandum of Understanding (MOU) on February 24, 2021 to undertake the development of a comprehensive Water Supply Plan (WSP) for importing drinking water from the West Hills Treatment Plant. This WSP shall identify alternatives to achieve the agreed upon objectives at the lowest practical lifecycle cost and earliest practical time. The WSP will include a feasibility phase(s) and an implementation plan phase(s). Additionally, the District and CSJB agreed that the District will front the cost of the feasibility phase with an initial budget of \$180,000. Should the CSJB decide to move forward to implementation, the cost of the feasibility phase will be rolled into the final project cost. Should the CSJB decide not to move forward to implementation, CSJB will reimburse the District for all monies expended on the WSP within one hundred and eighty (180) days from such decision, and all obligations of the District to provide a surface water solution to the CSJB will have been satisfied.

Legal Challenges to Pumping Restriction in the Delta

Through its membership fees in the San Luis & Delta-Mendota Water Authority, the District participates in the cost of the ongoing legal challenges related to the biological opinions that limit the pumping in the Delta.

Zebra Mussel Infestation in San Justo Reservoir

The San Justo Reservoir, owned by USBR, is operated by the District to provide agricultural and municipal and industrial water to its customers in San Benito County. In February 2008, zebra mussels were discovered in the reservoir. The presence of zebra mussels in the Hollister Conduit and the San Felipe Distribution system has been confirmed since that time. Zebra mussels are an invasive species which attach themselves to hard substrate, thus posing a significant threat to both the ability of the District to effectively operate the reservoir as they can clog intake

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

structures and pipelines, as well as to the reservoir's ecology. They could also spread to other water bodies. In order to continue operating the reservoir for water supply purposes and to prevent the further invasion of the water systems, the zebra mussels must be either eradicated or significantly controlled.

To achieve any solution, significant coordination among many government agencies is required to identify and implement the optimum eradication strategy. The eradication strategy must also include measures to prevent future re-infestation. Zebra Mussels have never been eradicated from a reservoir; therefore, the District's financial obligation is not known at this time.

The USBR is developing an eradication plan for the reservoir, conduit, and distribution system in cooperation with the California Department of Water Resource (DWR), the California Department of Fish and Wildlife (CDFW) and the District. Final plans and specifications are being developed by the USBR. As part of the plan, payment responsibilities will have to be negotiated.

Hollister Urban Area Agreement for Operation and Maintenance Services

In August 2013, the District and SSCWD each approved the Hollister Urban Area Agreement for Operation and Maintenance Services. This agreement establishes SSCWD as the contract operator for the Lessalt Water Treatment Plant and the West Hills Water Treatment Plant. This agreement was established for a term of 5 years with options to renew for subsequent terms of 5 years. The contract was renewed August 2018 for an additional 5-year term. Payments for the operations for the treatment plants are reflected in Contract Services. The recovery of these costs from the retailers (SSCWD and COH) are captured as a component of the finished water rates.

Pacheco Reservoir Expansion Project

The Pacheco Reservoir Expansion project includes construction of a new earthen dam a short distance upstream from the existing dam and a pipeline to connect the dam to the existing Pacheco Conduit, a federal Central Valley Project pipeline that delivers water into Santa Clara and San Benito Counties from the San Luis Reservoir. The participating agencies are the District, SCVWD and Pacheco Pass Water District. The project would expand the reservoir from 6,000 to 140,000 acre-feet and deliver water supply, water quality, and ecosystem benefits to the region. In June 2018, the Board approved a Memorandum of Agreement (MOA) with SCVWD that outlines the terms for moving forward with the project.

Originally the MOU included 2 major agreements that needed to be completed within 2 years of the signing of the agreement, an allocation of benefits agreement and a provisional operating agreement. In addition, the MOA called for the District within the 2 years to determine its participation level ranging from 0% - 10%. It is now anticipated that the date for the allocation of benefits and operating agreement will be delayed. More importantly, upon completion and execution of a side letter to the MOU the District anticipates having until the start of construction to determine the level of participation desired. The District will continue to review its level of participation as the project moves forward.

In July 2018, the Department of Water Resources announced that the Pacheco Reservoir Expansion project will receive the full funding request of \$485 million through a Proposition 1 grant naming SCVWD as grantee. Additional federal and state funding will be pursued as the project moves forward. The total project cost is currently estimated to be approximately \$2.5 billion.

San Benito County Water District

Notes to Basic Financial Statements

June 30, 2024

Litigation

The District is subject to various legal proceedings and claims that arise in the ordinary course of business. The District would pursue or defend cases vigorously through trial unless facts develop which warrant an attempt to seek an out-of-court settlement. As of June 30, 2024, the District had the following pending litigation:

United States Bureau of Reclamation (Defendant) v. Center for Biological Diversity

On May 21, 2021, San Benito County Water District, along with other CVP contractors holding WIIN Act contracts (See Note 14) were named as additional defendants in a lawsuit challenging that the United States erred in entering into converted contracts under the WIIN Act without National Environment Policy Act (NEPA) and the Endangered Species Act (ESA) compliance. The CVP contractors are working collectively in their response to this litigation.

14. SUBSEQUENT EVENTS

Events occurring after June 30, 2024 have been evaluated by Management for possible recognition or disclosure to the financial statements as of **January 29, 2025** which is the date the financial statements were available to be issued.

Grant Funding

The District has been approved for \$4.78M in Pajaro River shed Prop 1, Round 2 IRWM Implementation Grant, \$11.5M in SGMA Implementation Grant, and \$6.7M in WaterSMART Small Storage Grant. The grant funds will be used to offset the costs of the District's Accelerated Drought Response Project (ADRoP) project which is an aquifer storage and recovery project which will be capable of recharging up to 6,000 AFY of high-quality CVP water in wet years for subsequent recovery in dry years. It is the foremost approach to help meet future water demand, especially during drought and water shortages, and to help achieve water quality goals for total dissolved solids, Nitrate and hexavalent chromium.

**REQUIRED SUPPLEMENTARY
INFORMATION**

San Benito County Water District
 Schedule of the District's Proportionate Share of the Net Pension Liability (Asset)
 and Related Ratios as of Measurement Date
 Cost Sharing Defined Benefit Pension Plan
 As of June 30, 2024
 Last 10 Years^

Measurement Date	Fiscal Year End									
	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
District's proportion of the net pension liability	0.00511%	0.00287%	0.03420%	0.02688%	0.02626%	0.02558%	0.02521%	0.02495%	0.02503%	0.02119%
District's proportionate share of the net pension liability (asset)	\$ 637,709	\$ 331,146	\$(1,849,819)	\$2,924,121	\$2,690,997	\$2,464,949	\$2,499,912	\$2,158,673	\$1,718,231	\$1,318,536
District's covered payroll*	\$1,890,351	\$1,968,717	\$1,915,571	\$1,845,948	\$1,842,615	\$1,670,981	\$1,509,491	\$1,312,916	\$1,441,464	\$1,546,276
District's proportionate share of the net pension liability (asset) as a percentage of covered payroll	33.73%	16.82%	-96.57%	158.41%	146.04%	147.52%	165.61%	164.42%	119.20%	85.27%
Plan's fiduciary net position as a percentage of the plan's total pension liability (asset)	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

* For the year ending on the measurement date.

San Benito County Water District
Schedule of the District's Pension Plan Contributions
For the Fiscal Year Ended June 30, 2024
Last 10 Fiscal Years^

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contributions for the fiscal year ended										
Actuarially determined contribution	\$ 171,358	\$ 189,961	\$ 202,243	\$ 388,036	\$ 345,789	\$ 296,138	\$ 251,731	\$ 221,668	\$ 199,675	\$ 217,870
Contributions in relation to the actuarially determined contribution	171,358	189,961	202,243	3,334,012	345,789	296,138	251,731	221,668	199,675	217,870
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (2,945,976)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll*	\$ 1,852,146	\$ 1,890,351	\$ 1,968,717	\$ 1,915,571	\$ 1,845,948	\$ 1,842,615	\$ 1,670,981	\$ 1,509,491	\$ 1,312,916	\$ 1,441,464
Contributions as a percentage of covered payroll	9.25%	10.05%	10.27%	174.05%	18.73%	16.07%	15.06%	14.68%	15.21%	15.11%

* For the fiscal year ending on the date shown

San Benito County Water District
Schedule of Changes in the District's Net OPEB Liability (Asset)
and Related Ratios as of Measurement Date
For The Year Ended June 30, 2024
Last 10 Years[^]

	Fiscal Year End	Fiscal Year End	Fiscal Year End	Fiscal Year End	Fiscal Year End	Fiscal Year End	Fiscal Year End
	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
Measurement Date	6/30/23	6/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Changes in total OPEB liability (asset)							
Service cost	\$ 38,982	\$ 37,939	\$ 35,860	\$ 72,508	\$ 55,171	\$ 57,105	\$ 65,374
Interest	57,320	53,736	60,015	45,054	44,813	40,634	33,922
Actual and expected experience	-	-	(123,455)	-	(12,951)	-	-
Changes in assumption	(72,263)	-	26,083	(452,724)	53,239	(43,017)	(114,363)
Actual benefits payments	(13,769)	(32,397)	(27,438)	(25,169)	(31,531)	(28,194)	(35,539)
Changes in benefits terms	(38,331)	-	-	-	-	-	-
Net changes in total OPEB liability	(28,061)	59,278	(28,935)	(360,331)	108,741	26,528	(50,606)
Total OPEB liability - beginning	897,313	838,035	866,970	878,599	1,118,561	1,092,033	1,142,639
Total OPEB liability - ending	<u>\$ 869,252</u>	<u>\$ 897,313</u>	<u>\$ 838,035</u>	<u>\$ 518,268</u>	<u>\$ 1,227,302</u>	<u>\$ 1,118,561</u>	<u>\$ 1,092,033</u>
Changes in plan fiduciary net position							
Expected return at beginning of year	\$ -	\$ -	\$ -	n/a	n/a	n/a	n/a
Employer contributions	38,464	493,773	565,698	n/a	n/a	n/a	n/a
Nonemployer contributing entity contributions	-	-	-	n/a	n/a	n/a	n/a
Employee contributions	-	-	-	n/a	n/a	n/a	n/a
Net investment income	57,285	(144,497)	32,493	n/a	n/a	n/a	n/a
Benefit payments	(38,331)	(32,397)	(27,438)	n/a	n/a	n/a	n/a
Administrative expenses	(391)	(278)	(93)	n/a	n/a	n/a	n/a
Net changes in plan fiduciary net position	57,027	316,601	570,660	n/a	n/a	n/a	n/a
Plan fiduciary net position - beginning	887,263	570,660	-	n/a	n/a	n/a	n/a
Plan fiduciary net position - ending	<u>\$ 944,290</u>	<u>\$ 887,261</u>	<u>\$ 570,660</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Net OPEB liability (asset)							
Total OPEB liability	\$ 869,252	\$ 897,313	\$ 838,035	\$ 518,268	\$ 1,227,302	\$ 1,118,561	\$ 1,092,033
Plan fiduciary net position	\$ 944,290	\$ 887,261	\$ 570,660	\$ -	\$ -	\$ -	\$ -
Net OPEB liability (asset)	\$ (75,038)	\$ 10,052	\$ 267,375	\$ 518,268	\$ 1,227,302	\$ 1,118,561	\$ 1,092,033
Net OPEB liability funded percentage	108.6%	98.9%	68.1%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll *	\$ 2,249,877	\$ 2,179,647	\$ 2,179,647	\$ 2,051,887	\$ 1,970,238	\$ 2,030,312	\$ 1,825,805
Net OPEB liability as a percent of covered-employee payroll	-3.34%	0.46%	12.27%	25.26%	62.29%	55.09%	59.81%

[^] Fiscal year 2018 was the 1st year of implementation, therefore, only seven years are shown.

* For the year ending on the measurement date.

San Benito County Water District
Schedule of Employer OPEB Contributions
As of June 30, 2024
Last 10 Years

Contributions for the fiscal year ended:	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
Actuarially determined contribution **	\$ 34,964	\$ 29,456	\$ 70,172	\$ 110,767	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	47,559	38,464	493,773	565,698	25,227	31,603	35,683
Contribution deficiency (excess)	<u>\$ (12,595)</u>	<u>\$ (9,008)</u>	<u>\$ (423,601)</u>	<u>\$ (454,931)</u>	<u>\$ (25,227)</u>	<u>\$ (31,603)</u>	<u>\$ (35,683)</u>
District's covered payroll *	\$2,307,102	\$ 2,249,877	\$2,179,647	\$2,189,677	\$1,970,238	\$2,030,312	\$1,825,805
Contributions as a percentage of covered-employee payroll	2.10%	1.71%	22.65%	25.83%	1.28%	1.56%	1.95%

^ Fiscal year 2018 was the 1st year of implementation, therefore only seven years are shown.

* For the fiscal year ended on the date shown.

** As of fiscal years 2018, 2019, & 2020, the Trust was not established and no funding policy was established for future contributions.

SUPPLEMENTARY INFORMATION

San Benito County Water District
Schedule of Net Position by Zone
June 30, 2024

ASSETS						
Current assets:						
Cash	\$	2,393,741	\$	5,851,599	\$	42,677,575
Investments		-	\$	-		1,751,855
Receivables, net		30,226		92,251		3,644,887
Contract receivable - current portion		-		-		1,239,271
Prepaid expenses		6,516		41,500		348,788
Restricted cash		75,000		-		1,531,098
Restricted investments		41,883		62,825		34,447,960
Total current assets		2,547,366		6,048,175		85,641,434
Noncurrent assets:						
Contract receivable - noncurrent portion		-		-		18,224,564
Net OPEB Asset		34,633		5,820		34,654
Due from other zones		304,052		-		-
Capital assets, net		151,855		1,061,015		79,077,179
Total noncurrent assets		490,540		1,066,835		97,336,397
Total assets		3,037,906		7,115,010		182,977,831
Deferred Outflows of Resources						
Deferred outflows of resources - pension activities		90,203		98,669		1,675,166
Deferred outflows of resources - OPEB		6,810		3,901		176,428
Total Deferred Outflows of Resources		97,013		102,570		1,851,594
Total						
	\$	1,101,919	\$	1,101,919	\$	52,024,834
		-		-		1,751,855
		14,173		14,173		3,781,537
		-		-		1,239,271
		1,797		1,797		398,601
		-		-		1,606,098
		-		-		34,552,668
		1,117,889		1,117,889		95,354,864
Total						
		-		-		18,224,564
		(69)		(69)		75,038
		(304,052)		(304,052)		-
		2,017,016		2,017,016		82,307,065
		1,712,895		1,712,895		100,606,667
		2,830,784		2,830,784		195,961,531
Total						
		(9,531)		(9,531)		1,854,507
		(379)		(379)		186,760
		(9,910)		(9,910)		2,041,267

San Benito County Water District
Schedule of Net Position by Zone (continued)
June 30, 2024

	District Administration	District Zone 3	District Zone 6	District Zone 700	Total
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	4,634	8,614	988,478	8,409	1,010,135
Accrued wages and benefits	5,639	1,773	37,910	-	45,322
Compensated absences - current portion	1,125	2,144	40,982	-	44,251
City National Bank loan payable - current portion	-	-	381,000	-	381,000
2021 Water Refunding Obligation Bond - current portion	-	-	178,000	-	178,000
2021 Taxable Revenue Obligation Bond - current portion	9,144	7,717	157,139	-	174,000
Due to other agencies	-	-	1,613,823	14,000	1,627,823
Contract customer water prepayments	-	-	436,092	-	436,092
Unearned contract revenue	-	-	1,239,271	-	1,239,271
Total current liabilities	20,542	20,248	5,072,695	22,409	5,135,894
Noncurrent liabilities:					
Compensated absences - noncurrent portion	1,503	4,076	56,391	-	61,970
Net Pension liability	(10,453)	28,800	609,970	9,392	637,709
Deposits	94,500	-	10,500	-	105,000
City National Bank loan payable - noncurrent portion	-	-	2,327,080	-	2,327,080
2021 Water Refunding Obligation Bond - noncurrent portion	-	-	2,211,000	-	2,211,000
2021 Taxable Revenue Obligation Bond - noncurrent portion	99,992	121,599	2,065,409	-	2,287,000
Unearned contract revenue	-	-	18,224,566	-	18,224,566
Total noncurrent liabilities	185,542	154,475	25,504,916	9,392	25,854,325
Total liabilities	206,084	174,723	30,577,611	31,801	30,990,219
Deferred Inflows of Resources					
Deferred inflows of resources - pension activities	53,493	52,279	794,811	(4,664)	895,919
Deferred inflows of resources - OPEB	21,027	18,964	307,540	(810)	346,721
Total deferred inflows of resources	74,520	71,243	1,102,351	(5,474)	1,242,640
NET POSITION					
Net investment in capital assets	151,855	1,061,015	73,980,099	2,017,016	77,209,985
Restricted	116,883	62,825	35,979,058	-	36,158,766
Unrestricted	2,585,577	5,847,774	43,190,306	777,531	52,401,188
Total net position	\$ 2,854,315	\$ 6,971,614	\$ 153,149,463	\$ 2,794,547	\$ 165,769,939

San Benito County Water District
Schedule of Revenues, Expenses and Changes in Net Position by Zone
For the Year Ended June 30, 2024

	District Administration	District Zone 3	District Zone 6	District Zone 700	Total
Operating revenue	14,706	4,251	\$ 15,597,001	\$ 498,204	\$ 16,114,162
Operating expenses:					
Cost of water	-	-	2,203,967	-	2,203,967
Wages and employee related expenses	113,554	170,112	2,432,844	36,974	2,753,484
Pension cost expense	50,023	44,720	814,638	5,121	914,502
Contract services	28,805	55,862	5,441,218	62,627	5,588,512
Material and equipment	3,277	9,729	474,996	-	488,002
General and administrative	22,822	59,406	336,677	1,791	420,696
Utility expenses	3,086	3,255	664,392	-	670,733
Depreciation and amortization	6,170	45,076	3,706,075	-	3,757,321
Total operating expenses	227,737	388,160	16,074,807	106,513	16,797,217
Operating (loss) income	(213,031)	(383,909)	(477,806)	391,691	(683,055)
Nonoperating revenue (expenses):					
Taxes and assessments	348,846	709,284	11,539,286	-	12,597,416
Grant revenue	-	-	15,407	309,044	324,451
Other nonoperating revenues	-	-	235,705	-	235,705
Interest revenues	104,239	233,377	2,236,987	8,103	2,582,706
Investment gain (loss)	23,575	54,844	1,384,218	2,473	1,465,110
Interest expense	(3,296)	(3,906)	(161,195)	-	(168,397)
Other nonoperating expenses	217	26	(42,597)	-	(42,354)
Net nonoperating revenue (expenses)	473,581	993,625	15,207,811	319,620	16,994,637
Change in net position	260,550	609,716	14,730,005	711,311	16,311,582
Net position, beginning of year	2,593,765	6,361,898	138,419,458	2,083,236	149,458,357
Net position, end of year	\$ 2,854,315	\$ 6,971,614	\$ 153,149,463	\$ 2,794,547	\$ 165,769,939

STATISTICAL SECTION

San Benito County Water District

Index to Statistical Section

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and required supplemental information says about the District's overall financial health.

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Financial Trends - These schedules contain information to help the reader understand how the District's financial performance and well-being have changes over time.

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Revenue Capacity - These schedules contain information to help the reader assess the District's most significant local revenue source.

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Debt Capacity - These schedule present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.

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Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

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Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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San Benito County Water District

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net investment in capital assets	\$ 37,185,847	\$ 34,299,203	\$ 35,373,195	\$ 72,109,187	\$ 72,194,916	\$ 71,861,508	\$ 74,439,791	\$ 73,679,010	\$ 72,920,668	\$ 77,209,985
Restricted	28,132,497	22,223,966	12,561,409	14,757,227	17,153,942	20,332,324	23,812,594	27,219,448	30,618,767	36,158,766
Unrestricted	27,346,003	38,457,517	54,153,120	22,067,172	28,149,841	34,288,935	35,625,960	43,036,700	45,918,922	52,401,188
Total net position	\$ 92,664,347	\$ 94,980,686	\$ 102,087,724	\$ 108,933,586	\$ 117,498,699	\$ 126,482,767	\$ 133,878,345	\$ 143,935,158	\$ 149,458,357	\$ 165,769,939

◇ Data Source: San Benito County Water District Finance Department

San Benito County Water District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Revenue	\$2,843,275	\$5,714,866	\$7,210,567	\$10,677,462	\$11,534,728	\$12,052,072	\$12,233,531	\$9,363,846	\$8,518,178	\$16,114,162
<u>Operating Expenses:</u>										
Cost of water	1,872,250	4,697,854	4,506,623	3,278,371	3,474,081	3,368,026	3,204,849	2,458,690	1,875,591	2,203,967
Wages & employee related expenses	2,748,269	2,084,974	2,451,033	2,854,759	2,825,785	3,128,107	2,555,810	(856,366)	5,367,394	3,667,986
Contract services	1,165,888	1,469,829	1,849,021	2,701,406	2,907,748	3,232,028	3,635,982	3,940,006	3,761,037	5,588,512
Material and equipment	186,493	158,580	258,287	358,395	326,308	277,170	614,992	353,798	398,527	488,002
General and administrative	179,793	233,644	196,956	285,786	303,641	322,773	337,464	358,387	425,823	420,696
Utility expenses	272,634	302,785	355,717	517,546	580,358	561,454	448,758	419,758	439,460	670,733
Depreciation and amortization	1,114,107	1,633,108	1,738,224	1,800,724	2,823,117	2,991,941	3,115,945	3,449,944	3,628,807	3,757,321
Total operating expenses	7,539,434	10,580,774	11,355,861	11,796,987	13,241,038	13,881,499	13,913,800	10,124,217	15,896,639	16,797,217
Operating income (loss)	(4,696,159)	(4,865,908)	(4,145,294)	(1,119,525)	(1,706,310)	(1,829,427)	(1,680,269)	(760,371)	(7,378,461)	(683,055)
<u>Nonoperating revenue (expenses):</u>										
Taxes and assessments	6,359,153	6,789,691	7,547,080	8,164,379	8,752,057	9,260,128	9,826,204	10,521,329	12,058,062	12,597,416
Grant revenue	4,086,989	663,741	651,555	404,940	407,141	1,020,720	1,435,394	1,022,649	21,965	324,451
Other nonoperating revenues	225,935	1,317,254	225,204	234,969	276,288	221,042	209,932	211,747	263,537	235,705
Interest and investment revenues	114,279	193,973	265,996	483,673	941,831	971,618	328,711	121,863	1,349,524	2,582,706
Investment gain or loss	(719)	10,467	(57,699)	(33,434)	136,503	185,336	(218,881)	(491,891)	(601,321)	1,465,110
Interest expense	(1,462)	(88,419)	(168,121)	(158,306)	(148,435)	(138,244)	(127,722)	(192,647)	(184,837)	(168,397)
Loss on disposal of assets	-	-	-	-	-	-	(50,999)	-	-	-
Capital contributions to other Government	(724,648)	-	-	-	-	-	-	-	-	-
Other nonoperating expenses	(71,701)	(1,704,460)	(611,683)	(389,043)	(93,962)	(707,105)	(2,326,792)	(375,866)	(5,270)	(42,354)
Net nonoperating revenue (expenses)	9,987,826	7,182,247	7,852,332	8,707,178	10,271,423	10,813,495	9,075,847	10,817,184	12,901,660	16,994,637
<u>Capital Contribution:</u>										
Capital contribution	250,000	-	3,400,000	-	-	-	-	-	-	-
Capital contributions	250,000	-	3,400,000	-	-	-	-	-	-	-
Change in net position	5,541,667	2,316,339	7,107,038	7,587,653	8,565,113	8,984,068	7,395,578	10,056,813	5,523,199	16,311,582
<u>Prior period adjustment:</u>										
Pension liabilities	(1,627,162)	-	-	-	-	-	-	-	-	-
OPEB liabilities	-	-	-	(741,791)	-	-	-	-	-	-
Change in net position, adjusted	\$3,914,505	\$2,316,339	\$7,107,038	\$6,845,862	\$8,565,113	\$8,984,068	\$7,395,578	\$10,056,813	\$5,523,199	\$16,311,582

◊ Data Source: San Benito County Water District Finance Department

San Benito County Water District
Operating Revenue by Category
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water Sales - San Felipe	\$1,457,159	\$3,550,238	\$ 2,833,717	\$ 3,401,130	\$ 3,317,804	\$ 3,821,575	\$ 3,678,907	\$ 1,146,099	\$ 724,825	\$ 3,865,016
Power Charge - San Felipe	166,730	188,700	585,253	1,097,962	779,389	499,693	395,631	116,567	115,297	439,491
Water Sales - Recycled Water	-	13,594	52,362	69,620	73,602	101,640	89,632	111,516	116,336	128,653
Power Charge - Recycled Water	-	4,297	16,711	18,932	21,810	29,704	23,908	31,072	34,996	42,446
Finished Water Sales - Treatment Plant	871,995	1,634,856	3,320,073	5,796,193	6,912,136	7,214,188	7,513,573	6,636,645	6,364,657	10,933,975
Service & Demand (Rural Systems)	18,960	19,320	19,680	20,520	21,000	21,000	1,750	-	-	-
Energy Charge (Rural Systems)	-	-	-	-	-	-	-	-	-	-
Transfers & Exchanges	3,611	2,819	3,195	3,461	3,240	3,412	3,531	3,865	2,401	4,217
Groundwater Charges	230,898	227,656	277,578	236,194	306,734	276,797	433,162	602,545	490,831	156,530
Well Permit Fees	20,390	11,003	10,348	10,001	45,068	43,845	37,508	52,784	32,874	14,632
Groundwater Management Fees								482,653	485,842	498,205
Other Operating Revenue	73,532	62,383	91,650	23,449	53,945	40,218	55,929	180,100	150,120	30,997
	<u>\$2,843,275</u>	<u>\$ 5,714,866</u>	<u>\$ 7,210,567</u>	<u>\$10,677,462</u>	<u>\$11,534,728</u>	<u>\$12,052,072</u>	<u>\$12,233,531</u>	<u>\$ 9,363,846</u>	<u>\$8,518,178</u>	<u>\$ 16,114,162</u>

◇ Data Source: San Benito County Water District Finance Department

San Benito County Water District
Water Rates
San Felipe Distribution System
Last Ten Fiscal Years

Water Year Ended February 28	Agricultural Rate	Municipal & Industrial Rate	Power Charge by Subsystem					Standby & Availability Per Acre
			2	6H	9L	9H	All Others	
			Per Acre Foot					
2016	\$179.00	\$247.00	\$42.75	\$31.05	\$45.70	\$97.15	\$23.80	\$6.00
2017	\$272.00	\$363.00	\$123.10	\$75.65	\$109.95	\$162.55	\$66.05	\$6.00
2018	\$191.00	\$363.00	\$126.80	\$77.90	\$113.25	\$167.45	\$68.05	\$6.00
2019	\$209.00	\$363.00	\$130.60	\$80.25	\$116.65	\$172.45	\$70.10	\$6.00
2020	\$254.00	\$404.00	\$80.45	\$39.30	\$88.15	\$130.30	\$33.70	\$6.00
2021	\$265.00	\$415.00	\$82.85	\$40.45	\$90.80	\$134.20	\$34.75	\$6.00
2022	\$274.00	\$424.00	\$85.35	\$41.50	\$93.55	\$138.25	\$35.75	\$6.00
2023	\$274.00	\$424.00	\$85.35	\$41.50	\$93.55	\$138.25	\$35.75	\$6.00
2024	\$294.00	\$753.00 (1)	\$40.20	\$40.20	\$94.00	\$94.00	\$40.20	\$6.00
2025	\$300.00	\$815.00 (2)	\$41.60	\$41.60	\$97.30	\$97.30	\$41.60	\$6.00

◇ Data Source: San Benito County Water District Finance Department

◇ Water Year - March through February

(1) 2024 Municipal & Industrial Rate includes \$100 water reliability charge

San Benito County Water District
Principal Land Taxpayers (San Benito County Water District - Zone 6)

2023-2024				2014-2015			
Taxpayer	Rank	Assessed Land Valuation	Percentage of Total Assessed Land Value	Taxpayer	Rank	Assessed Land Valuation	Percentage of Total Assessed Land Value
San Juan Oaks LLC	1	\$40,645,815	1.01%	Property Reserve Inc.	1	\$28,776,835	1.44%
KB Homes South Bay Inc	2	34,844,743	0.86%	Award Homes Inc.	2	15,616,000	0.78%
ET Hollister LLC	3	25,500,000	0.63%	Dobler Ranches LP	3	13,089,995	0.65%
Duke Realty Hollister LP	4	25,218,276	0.63%	Pura 2006 Revocable Trust Et Al	4	9,291,805	0.46%
Rosati-Hollister LP	5	19,888,572	0.49%	Filice Enterprises LP	5	8,724,753	0.44%
Lemmar Homes of CA LLC	6	19,207,556	0.48%	Granite Rock Co. #29381	6	7,826,474	0.39%
Dobler Ranches LP a Calif Ltd Part	7	15,551,874	0.39%	Anderson, Larry W-Georgaam N.	7	7,639,125	0.38%
Hollister 173 LP	8	15,376,255	0.38%	San Juan Oaks LLC	8	6,446,014	0.32%
Century Communities of CA LLC	9	14,913,542	0.37%	Roberts, Janet P. Family Trust	9	5,599,888	0.28%
Property Reserve Inc	10	14,370,590	0.36%	KB Homes South Bay Inc a Calif Corp	10	5,230,303	0.26%
Assessed Largest Land Taxpayers		225,517,223	5.59%	Assessed Largest Land Taxpayers		108,241,192	5.41%
Assessed Land Value for Other Land Taxpayers		3,809,261,057		Assessed Land Value for Other Land Taxpayers		1,891,915,360	
Total Assessed Land Value for Zone 6 Land Taxpayers		\$4,034,778,280		Total Assessed Land Value for Zone 6 Land Taxpayers		\$2,000,156,552	

à Data Source: San Benito County Assessor's Office - County Tax Roll 2023

à San Benito County Water District Zone 6 San

à Data Source: San Benito County Assessor's Office - County Tax Roll 2014

**San Benito County Water District
District Debt
Last Ten Fiscal Years**

	City National Bank (1)	Zions Bancorporation (2)	Sterling National Bank (3)	Total Debt	Population (4)	Debt per Capita
2014	\$ -	\$ -	\$ -	\$ -	56,219	\$ -
2015	\$ -	\$ -	\$ -	\$ -	56,452	\$ -
2016	\$ 5,355,867	\$ -	\$ -	\$ 5,355,867	56,624	\$ 94.59
2017	\$ 5,060,619	\$ -	\$ -	\$ 5,060,619	56,879	\$ 88.97
2018	\$ 4,755,808	\$ -	\$ -	\$ 4,755,808	57,088	\$ 83.31
2019	\$ 4,441,126	\$ -	\$ -	\$ 4,441,126	62,296	\$ 71.29
2020	\$ 4,116,253	\$ -	\$ -	\$ 4,116,253	62,353	\$ 66.02
2021	\$ 3,780,858	\$ 2,905,000	\$ 3,016,000	\$ 9,701,858	63,526	\$ 152.72
2022	\$ 3,434,601	\$ 2,734,000	\$ 2,794,000	\$ 8,962,601	65,479	\$ 136.88
2023	\$ 3,077,131	\$ 2,563,000	\$ 2,630,000	\$ 8,270,131	65,666	\$ 125.94
2024	\$ 2,708,083	\$ 2,389,000	\$ 2,461,000	\$ 7,558,083	65,853	\$ 114.77

- (1) City National Bank; Hollister Urban Area Tranche 3 and Recycled Water Loan
(2) Zions Bancorporation, N.A.; USBR In-Basin Capital Payoff
(3) Sterling National Bank (Webster Bank); CalPERS UAL Payoff
(4) State of California, Department of Finance (<http://dof.ca.gov/forecasting/demographics/estimates-e1/>)
San Benito County

◇ Data Source: San Benito County Water District Finance Department

San Benito County Water District
Demographics and Economic Statistics
Last Ten Fiscal Years

Year	County of San Benito				
	Population (1)	Personal Income (2)	Per Capita Personal Income	School Enrollment (3)	Unemployment Rate (4)
2015 (5)	56,452	\$ 2,691,239,000	\$ 47,673	11,166	7.6%
2016 (5)	56,624	\$ 2,870,816,000	\$ 50,700	11,114	7.1%
2017 (5)	56,879	\$ 3,096,482,000	\$ 54,440	11,164	6.8%
2018 (5)	57,088	\$ 3,235,448,000	\$ 56,675	11,253	5.8%
2019 (5)	62,296	\$ 3,470,822,000	\$ 55,715	11,438	5.1%
2020 (5)	62,353	\$ 3,894,963,000	\$ 62,466	11,545	4.8%
2021 (5)	63,526	\$ 4,143,744,000	\$ 65,229	11,427	7.6%
2022 (6)	65,479	\$ 4,169,135,000	\$ 63,671	11,897	4.2%
2023 (6)	65,666	\$ 4,520,677,000	\$ 68,843	11,901	5.9%
2024 (6)	65,853	not available	not available	11,969	6.3%

◇ Data Sources:

- (1) State of California, Department of Finance (<http://dof.ca.gov/forecasting/demographics/estimate-e1/>)
- (2) Bureau of Economic Analysis (<http://www.bea.gov>)
- (3) Ed-data (<http://www.ed-data.org/county/San-Benito>)
- (4) U.S. Bureau of Labor Statistics (<http://www.bls.gov>)
- (5) These population estimates incorporate 2010 census counts
- (6) These population estimates incorporate 2020 census counts

◇ The District encompasses all of San Benito County, with an area of approximately 1,400 square miles. Residential communities served include: City of San Juan Bautista, City of Hollister, unincorporated urban areas surrounding Hollister and Tres Pinos.

San Benito County Water District
Principal Employers, San Benito County

Company	2024		2015	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Earthbound Farm	1,000 +			
Hazel Hawkins Memorial Hospital	250 - 499			
Milgard	250 - 499			
Pacific Scientific	250 - 499			
San Benito High School	250 - 499			
True Leaf Farms	250 - 499			
Nob Hill Foods	100 - 249	not available		not available
Target	100 - 249			
Trical	100 - 249			
Corbin	100 - 249			
West Marine	100 - 249			
Ridgemark	100 - 249			
Casa de Fruta	100 - 249			
Cedar Valley Shingle Systems	100 - 249			
Tanimura & Antle	100 - 249			
LifeSparc	100 - 249			
MC Electronics	100 - 249			
San Benito Foods	100 - 249			

◇ Data Source: San Benito County Chamber of Commerce

**San Benito County Water District
Central Valley Project - San Felipe Division
Water Deliveries to San Benito County**

(1988-2024)

(Totals in Acre Feet)

Water Year Ended February 28	Total Delivered Through Reach 1 Bifurcation	Water Year Ended February 28	Total Delivered Through Reach 1 Bifurcation
1988	12,399	2009	17,288
1989	11,992	2010	8,810
1990	21,678	2011	17,456
1991	21,512	2012	22,200
1992	7,121	2013	19,597
1993	11,242	2014	14,256
1994	28,661	2015	8,834
1995	12,631	2016	3,171
1996	29,652	2017	13,397
1997	28,482	2018	23,635
1998	35,702	2019	22,651
1999	16,143	2020	22,599
2000	21,647	2021	17,813
2001	24,525	2022	6,049
2002	20,625	2023	3,505
2003	24,381	2024	19,772
2004	26,039		
2005	24,705		
2006	22,501		
2007	24,750		
2008	22,718		

◇ Data Source: San Benito County Water District Bifurcation Delivery Summary

◇ 1 Acre Foot = 325,851 gallons

◇ Water Year = March through February

**San Benito County Water District
Number of Employees by Department
Last Ten Fiscal Years**

For Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration & Finance	6 1/2	6 1/2	6 1/2	6 1/2	6 3/5	6 3/5	6 3/5	6 3/5	8	8
Engineering	3	3	3	3	4	4	4	4	5	5
Water Office	2	2	2	2	2	2	2	2	2	2
Operations & Maintenance	7 1/2	7 1/2	6 1/2	6 1/2	5 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Water Conservation	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
	20 1/2	20 1/2	19 1/2	19 1/2	19 3/5	20 3/5	20 3/5	20 3/5	23	23

◇ Data Source: San Benito County Water District Finance Department, Position Control List

San Benito County Water District
Operating Indicators by Function/Program
(2015-2024)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Well Applications Processed	135	77	64	50	56	54	48	77	43	21
Number of Open Reservoirs	3	3	3	3	3	3	3	3	3	3
Active Capacity of Open Reservoirs (in Acre Feet)	30,935	30,935	30,935	30,935	30,935	30,935	30,935	30,935	30,935	30,935
San Felipe Water Usage (1)										
Agricultural (Acre Feet)	7,070	3,339	4,277	15,224	13,515	12,653	12,183	4,824	457	9,611
Municipal & Industrial (Acre Feet)	1,434	2,060	2,128	2,902	4,442	4,723	4,727	2,814	1,797	4,158
Groundwater Usage (2) (4)										
Agricultural (Acre Feet)	20,930	29,229	28,107	17,294	20,437	16,428	17,369	23,298	23,929	13,137
Municipal & Industrial (Acre Feet)	6,738	5,202	5,241	5,071	4,396	3,241	3,418	5,115	5,816	4,865
Number of Vehicles										
Regular Fleet	11	11	11	11	13	13	15	18	14	14
Heavy Equipment/Vehicles	4	4	4	4	4	4	4	5	4	5
Transmission / Distribution Facilities										
Number of Pumping Stations	4	4	4	4	4	4	4	4	4	4
Number of Pumps	20	20	20	20	20	20	20	20	20	20
Number of Subsystem Valve & Control Structures	9	9	9	9	9	9	9	9	9	9
Number of Percolation Valve & Control Structures	3	3	3	3	3	4	4	4	4	4
Miles of Pipeline Maintained by District (approx.)										
Hollister Conduit	17	17	17	17	17	17	17	17	17	17
San Juan Lateral	2	2	2	2	2	2	2	2	2	2
San Felipe Subsystem	150	150	150	150	150	150	150	150	150	150
Recycled Water Pipeline (3)		2	2	2	2	2	2	2	2	2

◇ Data Source: San Benito County Water District Finance Department

◇ Fiscal Year totals unless noted otherwise

◇ 1. Central Valley Project year - March through February (e.g., 2024 represents March 2023 through February 2024)

◇ 2. Groundwater year - October through September (e.g., 2024 represents October 2022 through September 2023)

◇ 3. Recycled Water Pipeline constructed in 2016

San Benito County Water District
Operating Indicators by Function/Program (continued)
(2015-2024)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Federal Water Supply Contract (1)										
100% Total Contract Entitlement - 43,800 Acre Feet										
Annual Allocation Consisting of:										
Irrigation Contract (in Acre Feet)	-	-	1,778	35,550	17,775	20,663	8,760	-	-	35,550
Municipal & Industrial Contract (in Acre Feet)	2,778	2,063	4,538	8,250	6,188	8,250	5,775	2,063	2,063	8,250
Number of Customer Accounts										
Groundwater Wells										
Agricultural (active)	431	432	449	450	453	455	462	470	481	473
Agricultural (inactive)	208	210	210	208	208	205	205	205	205	217
Domestic (active)	673	692	709	721	723	731	739	733	732	705
Domestic (inactive)	176	176	175	175	176	176	176	175	177	203
San Felipe										
Agricultural Contract	515	582	564	565	567	554	567	563	575	575
Municipal & Industrial Contract	78	78	91	87	93	71	66	68	70	66
Small Parcel	455	392	397	393	391	425	411	415	409	409
Rural Water System	10	10	10	10	10	10	N/A	N/A	N/A	N/A
Recycled Water	-	36	36	36	36	36	36	36	36	36
Water Treatment Plants										
Raw Water Provided (in Acre Feet)	1	1	2	2	2	2	2	2	2	2
	1,178	1,864	2,060	3,177	4,323	4,590	4,084	2,382	1,920	4,824

◇ Data Source: San Benito County Water District Finance Department

◇ Fiscal Year totals unless noted otherwise

◇ 1. Central Valley Project year - March through February (e.g., 2024 represents March 2023 through February 2024)

San Benito County Water District
Facilities

United States Bureau of Reclamation Facilities

The District is responsible for operation and maintenance of the following United States Bureau of Reclamation project facilities:

District operated and maintained:

- San Justo Reservoir:
 - 10,300 acre-foot capacity
 - Outlet - 60 inch pipe, 0.84 miles, capacity of 85 cfs
- Hollister Conduit:
 - 54 and 60 inch pipe, 17.03 miles, capacity of 93 cfs
- San Juan Lateral:
 - 42 inch pipe, 2.11 miles, capacity of 45 cfs

Facilities operated and maintained in conjunction with Santa Clara Valley Water District

- San Felipe Reach 1:
 - Pacheco Pumping Plant-
 - approximately 300 ft lift, 12 pumps, total capacity of 600 cfs with a total installed horsepower of 24,000
 - Pacheco Tunnel-114 inch pipe, 5.23 miles, capacity of 480 cfs.
 - Pacheco Conduit--120 inch pipe, 7.93 miles, capacity of 480 cfs.

San Benito County Water District Facilities:

San Felipe Distribution System:

- 4 Pumping Stations (consist of 20 pumps with a total capacity of 132 cfs, and total installed horsepower of 2,800)
- 9 Subsystem Valve and Control Structures, total capacity of 196 cfs.
- 4 Percolation Valve and Control Structures, total capacity of 39 cfs.
- San Felipe Subsystem Pipelines (diameters range from 6 to 36 inches; approximately 150 miles)
- Recycled Water Pipeline:
 - 14 inch pipe, 2.0 miles, capacity of 4,000 gpm

Water Treatment Plants:

- Lessalt Water Treatment Plant
- West Hills Water Treatment Plant

San Benito River System:

- Hernandez Reservoir Capacity: Total: 30,000 ac. ft.
 - Flood Control: 11,500 ac. ft.
 - Active Capacity: 17,300 ac. ft.
- Paicines Reservoir 3,335 ac. ft. capacity
- Paicines Canal (50 cfs) approx. 8 miles
- Paicines Canal Diversion Facilities
 - (Milton Diversion Dam, Hill Gate, and Sand Gate-50 cfs)
- Dos Picachos Diversion (capacity of 4.75 cfs)

◇ Data Source: San Benito County Water District Engineering Department

Board of Directors Checklist

Date: _____

Regular Board Meeting

POSTING	Done
SBCWD Board	
FULL PACKETS (By Mail or Hand Delivered)	
(ONLY Hand Deliver Board/Counsel packets if not at post office by 5 p.m. on Friday)	
Mark Wright	
John Freeman	
Joe Tonascia	
Sonny Flores	
Doug Williams	
Jeremy Liem	
FULL COPIES (+ 5 for wall)	
Dana Jacobson	
Brett Miller	
Barbara Mauro (Original)	
Binder	
Agenda Only -- Staff	
Jennifer Cosio Arellano	
Michael Craig	
David Macdonald	
Cindy Paine	
AGENDA -- ONLY (E-mail)	
Ashley Collick City Manager COSJB	
Bob Swanson	
Brittany--SBC Farm Bureau	
Chris Olvera	
Julia Dyer	
Mandy Rose	
Megan Holland	
Paul Rovella	
Richard Bettencourt	
Scott Petersen	
Tres Pinos Water District	
14 Full Packets; 5 Agendas; 11 Via- E-mail	
Upload Agenda under Current Board Agenda	
Upload Agenda under Board of Directors, Agendas, Board Agendas and Packets	
Upload Agenda Packet under Board of Directors, Agendas, Board Agendas and Packets	

**San Benito County Water District
Agenda Transmittal**

Agenda Item:

7

Meeting Date: January 29, 2025

Submitted By: Barbara Mauro

Presented By: Barbara Mauro

Agenda Title: Public Hearing Regarding 2025-2026 Groundwater Charges

Detailed Description:

On January 25, 2023, at a regular meeting of the Board of Directors of the District, Resolution 2023-06 was approved establishing groundwater charges in Zone 6 for the water years 2023-2024, 2024-2025 and 2025-2026. The District Act (Section 70-7.1 through 70-7.17) defines the purpose and process the District must follow in the collection of groundwater charges. For water year 2025-2026, the District has approved a groundwater rate increase of \$0.28 per acre foot of water for a total charge of \$14.31 per acre foot.

Consistent with the District's past practices, staff is requesting that the Board hold a public hearing regarding the groundwater rates and consider confirmation of the rates for the 2025-2026 water year as adopted in resolution 2023-06.

Prior Committee or Board Action(s):

Adoption of Resolution 2023-06 – A Resolution of the Board of Directors of the San Benito County Water District establishing groundwater charges in Zone 6 for the 2023-2024, 2024-2025 and 2025-2026 water years

Financial Impact: X Yes No

Confirmation of Groundwater rates will increase the groundwater fees for Agricultural and Municipal and Industrial water from \$14.03 per acre foot to \$14.31 per acre foot

Funding Source/ Recap:

N/A

Material Included for Information/Consideration:

Resolution 2023-06

Recommendation: Conduct public hearing in accordance with the District Act and approve confirmation of 2025-2026 groundwater charges.

Action Required: _____ Resolution X Motion _____ Review _____

Board Action

_____ Resolution No. _____ Motion By _____ Second By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

RESOLUTION NO. 2023-06

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN BENITO COUNTY WATER DISTRICT
ESTABLISHING GROUNDWATER CHARGES IN ZONE 6
FOR THE 2023-2024, 2024-2025 and 2025-2026 WATER YEARS**

WHEREAS, pursuant to Section 70-7.7 of the San Benito County Water District Act, the Board of Directors held a public hearing on the second Monday of January 2023 to review and receive public comment on the Final Annual Groundwater Report for Water Year 2022; and

WHEREAS, on January 9, 2023 the Board of Directors accepted the Annual Groundwater Report for Water Year 2022 with the findings read into the record as set forth in Water Code Appendix 70-7.6; and

WHEREAS, the Final Annual Groundwater Report recommends that a groundwater charge be levied, and presents water supply, water usage, and water replenishment information and presents proposed rates (revenue levels); and

WHEREAS, the District mailed notices to all parcels upon which the charge is to be imposed setting forth the information required in Section 6 of Article XIII D of the California Constitution (Proposition 218) and notifying the owners thereof of a public hearing on January 25, 2023, to consider the charge; and

WHEREAS, after 45 days from the date said Notice was mailed, the Board conducted a public hearing on January 25, 2023, to determine whether or not the charge should be levied in Zone 6, and to consider the amount of any such charge; and

WHEREAS, less than a majority of the owners or lessees of parcels upon which the charge is proposed for imposition filed protests.

WHEREAS, a notice of a public hearing for January 25, 2023 was published in the newspaper as required by the District Act.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED pursuant to Section 70-7.8 of the San Benito County Water District Act that the groundwater charges for the ensuing water years (March 1, 2023 through February 29, 2024, March 1, 2024 through February 28, 2025 and March 1, 2025 through February 28, 2026) are hereby levied assessed and fixed against all persons operating groundwater producing facilities within Zone 6 as follows:

Water Year 2023-2024
Water Primarily for Municipal and Industrial Purposes
\$ 13.75 per acre foot
Water Primarily for Agricultural Purposes
\$ 13.75 per acre foot

Water Year 2024-2025
Water Primarily for Municipal and Industrial Purposes
\$ 14.03 per acre foot
Water Primarily for Agricultural Purposes
\$ 14.03 per acre foot

Water Year 2025-2026
Water Primarily for Municipal and Industrial Purposes
\$ 14.31 per acre foot
Water Primarily for Agricultural Purposes
\$ 14.31 per acre foot

BE IT FURTHER RESOLVED AND ORDERED pursuant to Section 70-7.10 of the San Benito County Water District Act that each operator of a water producing facility not measured with a water measuring device and/or not producing water from said facility shall file a statement verified by a written declaration made under penalty of perjury on or before the 31st day of January in each year until such time as said facility has been permanently abandoned, setting forth a total production in acre feet of water for the preceding calendar year (excluding the month in which the statement is due), a general description or number locating each water-producing facility, and the method or basis of the computation of such water production or that no water has been produced from said water-producing facility.

BE IT FURTHER RESOLVED AND ORDERED that should the operation of a water-producing facility fail to file the aforementioned statement, said operator shall be assessed in addition to an interest charge calculated at the rate of 1% for each month on the delinquent amount of the groundwater charge, a penalty representing 10% of the amount found by the District to be due.

BE IT FURTHER RESOLVED that continued replenishment of the groundwater supplies of Zone 6 is necessary;

BE IT FURTHER RESOLVED that the above groundwater charge does not exceed the costs reasonably borne by the District in the period of the charge in providing the water supply service authorized by the District Act in Zone 6, which costs are set forth in **Exhibits "A1 and A2"**, attached hereto and incorporated by this reference.

BE IT FURTHER RESOLVED AND ORDERED that the term "primary" or "primarily" is defined in **Exhibit "B"** attached hereto and incorporated herein by this reference.

BE IT FURTHER RESOLVED that the following criteria shall be used in computing the amount of water produced from a water-producing facility, which is not measured by a measuring device:

Inside water use shall be determined on the basis of 0.05 acre feet per person, per residence or dwelling unit, plus a base water use of 0.10 acre feet per residence or dwelling unit.

Outside water use for irrigation shall be determined on the basis of 0.09 acre feet per 1000 square feet of watered land up to 2.0 acres. For water areas greater than 2.0 acres generally accepted unit water duties based on crop type and irrigation method as determined by the District shall be used.

Outside water use for livestock watering shall be determined on the basis of 0.02 acre feet per animal unit up to 10 and 0.01 acre feet per animal unit for each unit above 10.

Outside water use for fowl shall be determined on the basis of 0.005 acre feet per 100 fowl.

1. Findings:

The Board of Directors hereby finds and determines that:

- a) Revenues derived from the charge imposed herein do not exceed the funds required to pay for operation and maintenance and costs associated with Zone 6 of the San Benito County Water District, San Felipe Division of the Central Valley Project, as authorized by the voters in Zone 6 on November 8, 1977 and shall not be used for any other purpose;
- b) The amount of the charge does not exceed the proportional cost of the service attributable to the parcel;
- c) The service for which the charge is imposed (see 1.a) above) is actually used by or is immediately available to the owner in question;
- d) The charge is not imposed for general governmental services.

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the San Benito County Water District held on the 25th day of January, 2023 by the following vote:

AYES:	DIRECTORS: Flores, Shelton, Tonascia, Williams and Wright
NOES:	DIRECTORS: None
ABSENT:	DIRECTORS: None
ABSTAIN:	DIRECTORS: None

*(Signature of presiding Board member
Attested by Board Secretary
Resolution #2023-06)*

/s/ Sonny Flores
Sonny Flores
President

ATTEST: /s/ Joyce Machado
Joyce Machado
Manager of Administration, Finance
and Business Services

EXHIBIT B

ESTABLISHING THE PRIMARY USE OF WELLS IN ZONE 6

The primary use must be established on all wells that are used for both agricultural and municipal and industrial purposes.

Agricultural water shall mean water used primarily in the commercial production of agricultural crops or livestock, including domestic use incidental thereto, on tracts of land operated in units of more than 2 acres.

Municipal, Industrial and domestic water (hereinafter referred to as M & I water) shall mean water used for other than agricultural purposes.

IN ORDER TO QUALIFY AS AN AGRICULTURAL WELL, THERE MUST BE AT LEAST 2 ACRES OF AGRICULTURAL LAND FOR EVERY DWELLING THAT THE WELL ALSO SERVES.

Examples of various ratios applied in the classification of wells:

2 Acres of Agricultural Land & 1 Dwelling	=	Agricultural or M & I (as determined by District)
4 Acres of Agricultural Land & 2 Dwellings	=	Agricultural or M & I (as determined by District)
2 Acres of Agricultural Land & 2 Dwellings	=	M & I
4 Acres of Agricultural Land & 3 Dwellings	=	M & I
4 Acres of Agricultural Land & 1 Dwelling	=	Agricultural
6 Acres of Agricultural Land & 2 Dwellings	=	Agricultural

**San Benito County Water District
Agenda Transmittal**

Agenda Item: 8

Meeting Date: January 29, 2025

Submitted By: Dana Jacobson

Presented By: Dana Jacobson

Agenda Title: B.F. Sisk Dam Raise and Reservoir Expansion Project

- a. Consider Approval and Authorize San Luis & Delta-Mendota Water Authority to Execute the Agreement between the United States and the San Luis & Delta-Mendota Water Authority for the Management of the Expanded San Luis Reservoir and Cost Share of Charges Associated with Raising of the B.F. Sisk Dam and Increased Storage Capacity of the Federally Administered San Luis Reservoir
- b. Consider Approval and Authorize the Board President to Execute the First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement and Make a Financial Commitment of (NTE) \$200,000
- c. Consider Resolution and Authorize Board President to sign said resolution, Approving of both B.F. Sisk Dam Raise and Reservoir Expansion Project Agreements

Description:

The U.S. Bureau of Reclamation (Reclamation) and the San Luis & Delta-Mendota Water Authority (SLDMWA) have been developing the B.F. Sisk Dam Raise and Reservoir Expansion Project (Project), which would raise the existing B.F. Sisk Dam by 10 feet and increase the storage capacity of San Luis Reservoir by 130,000 acre-feet (AF). Separately, Reclamation and the Department of Water Resources (DWR) are in the process of implementing the B.F. Sisk Safety of Dams Modification Project, which will address seismic risks of the existing dam but will not increase the storage capacity. The intention is for both projects to move forward concurrently such that the dam raise project can be completed as efficiently and cost-effectively as possible. The bulk of the planning and environmental permitting has been completed and Reclamation is now moving into the design phase of the Project.

Reclamation, SLDMWA, and Project participants recently completed negotiations for a Cost Share and Capacity Management Agreement (Cost Share Agreement), which defines the rights and obligations of each party for the duration of the Project. It also describes how the costs and benefits of the Project will be shared, which provides the District and other participants with sufficient information to make a decision on continued participation. The District will not be a party to this agreement.

For several years the District has been participating in the Project through an Activity Agreement with other SLDMWA members. Amendments to this agreement have also been negotiated and are ready for approval. The Activity Agreement is designed to govern the District's participation through planning, design, construction, and ultimately operations of the Project. However, the Project participants may ultimately elect to assign SLDMWA's rights and obligations to a separate entity or joint powers authority for the purpose of financing and/or future operations.

Reclamation anticipates reserving 39,000 AF (30%) of the new storage capacity to support federal wildlife refuges and other Central Valley Project (CVP) purposes. Project participants expect to reserve the remaining 91,000 AF (70%) for their benefit. Project planning, design and construction costs will be shared between Reclamation and Project participants in this proportion. The District has tentatively reserved 5,033 AF of storage capacity, which is equivalent to 5.5% of the participant share of the Project.

The current estimate of capital costs is over \$1 billion, with Reclamation being responsible for \$307 million and the participants being responsible for \$716 million. The District's share would be approximately \$40 million, not including financing costs.

Table 1: B.F. Sisk Dam Raise and Reservoir Expansion Project Capital Costs

Capital Costs (\$2024)	
Crest Raise	\$515,430,000
Highway 152	\$507,000,000
Total	\$1,022,430,000

Reclamation will continue to own and operate the expanded San Luis Reservoir, while participants will be provided rights to storage capacity that can be used to store any water type available. The District would be able to store its wet-year CVP water supplies that typically go unused and deliver them to the County when conditions are dry. It could also store spot market purchases in years when prices are lower, rather than purchasing supplemental supplies in drought years when prices are higher. The District will also be able to divert and store additional Delta surplus water during extremely wet years, which it rarely takes advantage of now because of a lack of storage capability.

The security of stored water was a sticking point for much of the negotiations. Reclamation insists that there are certain times when it may need to take participant's stored CVP water to satisfy its higher priority contractual or statutory obligations or to protect public health and safety. While this is likely to occur only during a severe or

multi-year drought, it is clearly the most significant risk of the Project. However, Reclamation would not be able to take non-CVP water without first reaching mutual agreement on compensation, which provides the District a mechanism to mitigate any potential loss of CVP water.

The District has previously made a total financial contribution of approximately \$170,000 towards the planning phase of the Project. An additional \$4 million is now needed collectively from participants to continue into the design phase, with the District's share being approximately \$170,000. If other participants withdraw, additional capacity could be made available, and the District could have to absorb a pro-rata share of these costs. Staff is therefore requesting an expenditure of up to \$200,000 to cover these costs if this occurs. A more significant contribution of \$20 million (\$1.1 million for the District) will be needed from the participants in early 2026. Major construction funding would be required in late 2027.

Approval of these agreements does not represent the District's decision to approve the Project. The final decision would likely occur when financing is secured for the construction costs. The District's participation in the project is intended to address future urban growth in the County. Costs for the project would be recovered through a capacity fee charged on new development.

Prior Committee or Board Action:

Administration Committee Meeting, January 22, 2025

Financial Impact: X Yes No

Funding Source/ Recap: 600-1351-B129-151-02

Material included for Information/Consideration:

1. Administration Committee Recommendation
2. Cost Share Agreement
3. Amended and Restated Activity Agreement
4. Draft Resolution
5. Staff Presentation

Recommendation: Staff and the Administration committee are recommending the Board approve both agreements and a financial contribution of \$200,000 towards continued participation in the B.F. Sisk Dam Raise and Reservoir Expansion Project.

Action Required: X Resolution X Motion Review

Board Action

Resolution No. _____ Motion By _____ Second By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

BOARD AGENDA MEMO

DATE: January 22, 2025

TO: Board of Directors

FROM: Administration Committee
(Flores/Williams)

SUBJECT: Board Recommendation to approve:

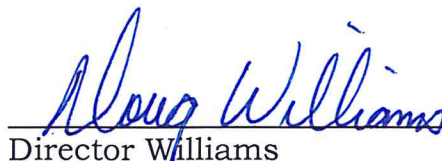
- a. Authorizing the San Luis & Delta-Mendota Water Authority to Execute the Agreement between the United States and the San Luis & Delta-Mendota Water Authority for the Management of the Expanded San Luis Reservoir and Cost Share of Charges Associated with Raising of the B.F. Sisk Dam and Increased Storage Capacity of the Federally Administered San Luis Reservoir
- b. Authorizing the Board President to Execute the First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement and Make a Financial Commitment of \$200,000
- c. Discuss and Consider Recommendation to Board to Approve Resolution and Authorize Board President to sign said resolution, Approving of both B.F. Sisk Dam Raise and Reservoir Expansion Project Agreements

The Administration Committee met on January 22, 2025 and discussed the agreements for the B F Sisk Dam Raise and Reservoir Expansion Project.

The Administration Committee agreed to recommend the Board approve: Authorizing the San Luis & Delta-Mendota Water Authority to Execute the Agreement between the United States and the San Luis & Delta-Mendota Water Authority for the Management of the Expanded San Luis Reservoir and Cost Share of Charges Associated with Raising of the B.F. Sisk Dam and Increased Storage Capacity of the Federally Administered San Luis Reservoir, Authorizing the Board President to Execute the First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement and Make a Financial Commitment of \$200,000 and Approve Resolution and Authorize Board President to sign said resolution, Approving of both B.F. Sisk Dam Raise and Reservoir Expansion Project Agreements.



Director Flores



Director Williams

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

AGREEMENT BETWEEN
THE UNITED STATES AND
THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FOR THE MANAGEMENT OF THE EXPANDED SAN LUIS RESERVOIR
AND COST SHARE OF CHARGES
ASSOCIATED WITH RAISING OF THE B.F. SISK DAM
AND INCREASED STORAGE CAPACITY
OF THE FEDERALLY ADMINISTERED SAN LUIS RESERVOIR

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- Exhibit A: Contributed Funds Agreement
- Exhibit B: Spend Plan
- Exhibit C: Coordination Agreement
- Exhibit D: OM&R Agreement
- Exhibit E: Final Storage Benefits
- Exhibit F: B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

AGREEMENT BETWEEN
THE UNITED STATES AND
THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FOR THE MANAGEMENT OF THE EXPANDED SAN LUIS RESERVOIR
AND COST SHARE OF CHARGES
ASSOCIATED WITH RAISING OF THE B.F. SISK DAM
AND INCREASED STORAGE CAPACITY
OF THE FEDERALLY ADMINISTERED SAN LUIS RESERVOIR

1 THIS AGREEMENT (SLRE Management and Cost Share Agreement), made this ____
2 day of _____, 20____, pursuant to the Reclamation Act of 1902, as
3 amended (32 Stat. 388; 43 U.S.C. Part 391); including the Act of February 21, 1911 (36 Stat.
4 925); the Reclamation Project Act of 1939, as amended (53 Stat. 1187; 43 U.S.C. Part 485); the
5 San Luis Act of 1960, as amended (Public Law 86-488, 74 Stat. 156); the Reclamation Safety of
6 Dams Act of 1978 (Public Law 95-578, 92 Stat. 2471); the Reclamation Reform Act of 1982, as
7 amended (Public Law 97-293, 96 Stat. 1261); and Section 305 of the Reclamation States
8 Emergency Drought Relief Act of 1991, enacted March 5, 1992 (106 Stat. 59); the Central
9 Valley Project Improvement Act of 1992, as amended (Public Law 102-575, 106 Stat. 4706); and
10 the Water Infrastructure Improvements for the Nation Act of 2016 (Public Law 114-322, 130
11 Stat. 1865); made between the UNITED STATES BUREAU OF RECLAMATION, hereinafter

the United States or Reclamation, and represented by the officer executing this Agreement, hereinafter referred to as the Contracting Officer, and the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, hereinafter referred to as the Authority, individually referred to as “Party” and collectively referred to as “Parties”.

EXPLANATORY RECITALS

[1st] WHEREAS, the United States has constructed and is operating the Central Valley Project for diversion, storage, carriage, and distribution of waters of the Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries for irrigation and other beneficial uses to serve Central Valley Project purposes; and

[2nd] WHEREAS, the United States holds title, and plans to continue to hold title to the B.F. Sisk Dam and San Luis Reservoir and authorized features of the San Luis Unit as provided for in the San Luis Act of 1960; and

[3rd] WHEREAS, the San Luis Act of 1960 (Public Law 86-488, 74 Stat. 156) authorized the Secretary of the Interior to construct, operate, and maintain an afterbay, forebay, conveyance facilities, and dam and Reservoir for the joint use by the State of California and the United States, and as provided in Section 2 of the Act, the Secretary was authorized to enter into an agreement with the State of California to provide for the coordinated operation of the San Luis Unit which resulted in a 1961 Joint Coordination Agreement and subsequent amendatory and supplemental agreements of 1972 and 1997; and

[4th] WHEREAS, the United States was authorized to construct the San Luis Unit of the CVP, a joint use project, shared with the State of California and administered through the Department of Water Resources, hereinafter referred to as “DWR,” the operations of which are coordinated between Reclamation and DWR consistent with the 1961 Agreement and all supplements and amendments; and

[5th] WHEREAS, consistent with the San Luis Act of 1960, Reclamation and DWR share responsibility for the costs of operation, maintenance, and replacement of B.F. Sisk Dam and San Luis Reservoir, consistent with the 1961 Agreement Between the United States of America and The Department of Water Resources of the State of California for the Operation of the San Luis Unit and all supplements and amendments, Contract No. 14-06-200-9755 (1961 Agreement); and

[6th] WHEREAS, Reclamation and DWR share responsibility for coordinating operations of the CVP and the State Water Project, hereinafter referred to as “SWP,” and for meeting Sacramento-San Joaquin Delta water quality objectives and other operational requirements pursuant to the 1986 Coordinated Operations Agreement between Reclamation and DWR, as amended; and

[7th] WHEREAS, Reclamation, in coordination with DWR, initiated extraordinary maintenance work for the B.F. Sisk Safety of Dams Modification Project to improve the safety of the continued operation and maintenance of the aforementioned dam; and

[8th] WHEREAS, in accordance with the Reclamation Safety of Dams Act of 1978, as amended (Public Law 95-578, 92 Stat. 2471, 43 U.S.C. § 509 b), to develop additional project benefits, through the B.F. Sisk Dam Safety of Dams Modification Report, in December 2020, the Expansion Project was determined to be feasible; and

[9th] WHEREAS, consistent with Reclamation’s Directives and Standards, *Water and Related Resources Feasibility Studies* (CMP 09-02), and *Developing Additional Project Benefits in Conjunction with a Safety of Dams Modification Project* (FAC 06-05), Reclamation is authorized to assess the feasibility of increasing San Luis Reservoir storage capacity in

conjunction with the Safety of Dams modifications to determine if there are additional project benefits which are in the best interest of the United States; and

[10th] WHEREAS, following the finding of feasibility, in accordance with §4007 of the Water Infrastructure and Improvements for the Nation Act, hereinafter referred to as “WIIN Act” (Public Law 114-322), on October 20, 2023, Congress authorized construction and associated funding for the B.F. Sisk Dam Raise and Reservoir Expansion Project; and

[11th] WHEREAS, in accordance with §4007(e) of the WIIN Act, which provides “[s]ubject to compliance with State water rights laws, the right to use capacity of a federally owned storage project... shall be allocated in such a manner as may be mutually agreed to by the Secretary of the Interior and each party to the agreement,” the Parties agree that this Agreement, as may be amended, provides for the mutually agreeable use of the Expanded Reservoir to the extent consistent with Federal law; and

[12th] WHEREAS, notwithstanding any potential disagreements among the Parties regarding background law, this Agreement governs the cost share and management of storage as provided herein; and

[13th] WHEREAS, the Authority certified, and Reclamation signed, a Record of Decision on October 20, 2023, for the Environmental Impact Statement/Report entitled B.F. Sisk Dam Raise and Reservoir Expansion Project, selecting the Dam Raise Alternative; and

[14th] WHEREAS, consistent with WIIN Act §4007(b)(2), Reclamation and the Authority agree to enter into this Agreement for up to 50% Federal share of the costs of the Expansion Project including, but not limited to, planning, design, and construction, and as further defined in this Agreement; and

[15th] WHEREAS, consistent with WIIN Act §4007(e), Reclamation, representing the United States, and the Authority, through the B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement, as may be amended or supplemented, attached as Exhibit F, representing Participating Agencies who will collectively share in the costs and benefits of the Expansion Project, desire to use the Expansion Project in such a manner as may be mutually agreeable to the Parties hereto; and

[16th] WHEREAS, other agreements and/or contracts necessary for commencing design, construction, and/or operation of the Expanded Reservoir may be necessary and may be incorporated into this Agreement, and which may include, but are not limited to, a Contributed Funds Agreement providing for the contribution of funds from Federal cost share partners (WIIN Act §4007(b)(3)(B) and §4011(e)(2)); an OM&R Agreement; a Repayment Contract providing for repayment of reimbursable obligations (WIIN Act §4007(b)(3)(C) and §4011(e)(2)), as appropriate; a Spend Plan; and a Coordination Agreement, any of which may require further delegation of authority from the Commissioner of Reclamation to negotiate and make a part of this Agreement.

NOW, THEREFORE, the Parties desire to manage the additional capacity associated with the expansion of San Luis Reservoir and share in the costs pertaining to the Expanded Reservoir consistent with, and in consideration of, the mutual and dependent covenants herein, the Parties hereto agree as follows:

DEFINITIONS

1. When used herein unless otherwise distinctly expressed, or manifestly incompatible with the intent of the Parties as expressed in this Agreement, the term:

(a) “Acquired Water” shall mean (1) any water acquired from CVP water service/repayment contractors, CVP Settlement Contractors, San Joaquin River Exchange Contractors, any other CVP contractor, or from Reclamation, in addition to any transfer or exchange that requires an in lieu operational exchange by Reclamation, subject to Contracting Officer acknowledgement or approval consistent with transfer policies and guidelines and any required environmental review, and (2) any Non-CVP Water.

(b) “Authority-Managed Share of Expanded Reservoir” shall mean the storage volume of the Expanded Reservoir commensurate with the non-Federal level of investment in the Expansion Project.

(c) “Calendar Year” shall mean the period January 1 through December 31, both dates inclusive.

(d) “Central Valley Project” or “CVP” shall mean the Central Valley Project owned by the United States and managed by the Department of the Interior, Bureau of Reclamation

(e) “Central Valley Project Municipal and Industrial Water Shortage Policy Guidelines and Procedures” or “M&I Water Shortage Policy” shall mean the policy intended to provide clear and objective guidelines on the water supplies available from the CVP during a Condition of Shortage, as that term is defined in the relevant CVP water service/repayment contracts.

(f) “Contracting Officer” shall mean the Secretary of the United States Department of the Interior or his/her duly authorized representative.

(g) “Contributed Funds Agreement” shall mean the agreement by which the Authority contributes to the cost of the Expansion Project, entered into pursuant to the Sundry Civil Appropriations Act of March 4, 1921 (Pub. L. 66-389; 41 Stat. 1404; 43 U.S.C. 395); and attached as Exhibit A.

(h) “Coordination Agreement” shall mean the agreement provided for in subarticle 4(i) of this Agreement; and attached as Exhibit C.

(i) “CVP Water” shall mean any water, excepting Acquired Water defined in Article 1(a), that is developed, diverted, stored, or delivered by the Secretary in accordance with the statutes authorizing the CVP and in accordance with the terms and conditions of water rights acquired pursuant to California law.

(j) “Expanded Reservoir” shall mean the combined volume of storage in the Federal Share and the Authority-Managed Share of the expanded San Luis Reservoir resulting from the Expansion Project.

(k) “Expansion Project” shall mean the B.F. Sisk Dam Raise and Reservoir Expansion Project, consistent with the Record of Decision, dated October 20, 2023, as may be amended or supplemented, which would raise B.F. Sisk Dam an additional ten feet and provide an additional estimated 130 Thousand Acre-Feet (TAF) of storage in San Luis Reservoir.

(l) “Federal Share of Expanded Reservoir” shall mean the storage volume of the Expanded Reservoir commensurate with the Federal level of investment in the Expansion Project.

(m) “Federal Share of Historic Reservoir” shall mean the storage volume of 966 TAF in the Historic Reservoir.

145 (n) "Historic Reservoir" shall mean the total storage volume of 2.028 Million
146 Acre-Feet (MAF) in San Luis Reservoir.

147 (o) "Non-CVP Water" shall mean any water acquired that has not been
148 appropriated or acquired by the United States and as further described herein.

149 (p) "Operation, Maintenance and Replacement Agreement" or "OM&R
150 Agreement" shall mean the agreement between the United States and the Authority providing for
151 the operation, maintenance, and replacement of the Expansion Project; and attached as Exhibit
152 D.

153 (q) "Participating Agency(ies)" shall mean those entity(ies) and/or
154 organization(s) that are represented by the Authority pursuant to the B.F. Sisk Dam Raise and
155 Reservoir Expansion Project Activity Agreement and all supplements and amendments.

156 (r) "San Luis Reservoir" shall mean the Historic Reservoir and the Expanded
157 Reservoir.

158 (s) "San Luis Rescheduling Guidelines" shall mean the Rescheduling
159 Guidelines for the Federal Share of Storage in San Luis Reservoir, Central Valley Project,
160 California, dated January 31, 2022, as may be amended or superseded, which apply only to the
161 Historic Reservoir.

162 (t) "Spend Plan" shall mean the plan provided for in subarticle 3(e) of this
163 Agreement; and attached as Exhibit B.

164 (u) "Substantial Completion" shall have the same meaning as defined in
165 *Completion of a Construction Activity: Transferring Reclamation Capital Assets Under*

Construction (AUC) to Operation and Maintenance (O&M) Status (FAC 01-05), as amended or supplemented.

(v) “Water Coordinator” shall mean the individual provided for in subarticle 4(i)(4) of this Agreement.

(w) “Year” shall mean the period from and including March 1 of each Calendar Year through the last day of February of the following Calendar Year.

TERM OF AGREEMENT

2. (a) This Agreement is effective on the date hereinabove written and will remain in full force until terminated, unless the condition in subarticle 2(e) is not met.

(b) If the Contracting Officer determines that the Authority is in material breach of the Agreement, the Contracting Officer shall first notify the Authority in writing of the specific purported deficiencies of the Authority in carrying out the terms and conditions of this Agreement. It is the intent of the Parties that disputes be resolved pursuant to this subarticle 2(b) as expeditiously as is reasonably possible without the necessity of other relief at law or in equity. If after the designated representative of the Authority has met with the Contracting Officer or their designated representative and attempted in good faith and with the use of best efforts to resolve any dispute arising from the purported deficiency an agreement is not reached, the Contracting Officer may issue a written notice of proposed termination which shall include the specific deficiencies of the Authority’s performance under this Agreement. The Authority shall have at least one hundred and twenty (120) days from receipt of the notice of proposed termination to submit a plan that demonstrates a reasonable timeframe to correct all deficiencies referred to in said notice. Upon the Contracting Officer’s approval of the plan to correct all

deficiencies, the Parties will in good faith coordinate on implementation of the plan to correct all deficiencies, including potential updates to the timeframe in the plan to correct all deficiencies. Any termination pursuant to this Article shall be subject to the rights and obligations of the Parties as more specifically set forth in this Agreement. Failure to remedy these deficiencies shall result in termination of this Agreement, noticed in writing, consistent with the provisions herein.

(1) Remedies Upon Termination Prior to a Determination of Substantial Completion of Construction of the Expansion Project.

(i) The Authority may terminate this Agreement by sending notice of termination to Reclamation, prior to Reclamation's issuance of solicitation of the Expansion Project construction contract.

(ii) Reclamation may terminate this Agreement if the Authority is in material breach of the Agreement and the Authority does not remedy the breach consistent with the procedures described in subarticle 2(b) above.

(iii) If termination occurs pursuant to subarticles 2(b)(1)(i) or 2(b)(1)(ii) above, the Parties will meet and confer to review the appropriate recognition of the Parties' contributed funds, as documented in applicable exhibits to this Agreement, including any outstanding financial obligations.

(2) Remedies Upon Termination Following a Determination of Substantial Completion of Construction of the Expansion Project.

(i) Mutual Agreement. The Parties may mutually agree to terminate this Agreement; in such event, any recognition or reimbursement of the Parties' contributed funds will be in an amount mutually agreeable to the Parties.

(ii) Reclamation may terminate this Agreement if the Authority is in material breach of this Agreement and the Authority does not remedy the breach consistent with the procedures described in subarticle 2(b) above. Notwithstanding the foregoing, if termination occurs, Reclamation will, in a timely manner, seek to reimburse the Authority's contributed funds, as documented in applicable exhibits to this Agreement, including any remaining financial obligations, in varied amounts based on the number of years following the determination of Substantial Completion of construction of the Expansion Project. Under WIIN Act §4007(b)(2), Reclamation may fund up to 50% of the Expansion Project costs so long as the benefits from the Expansion Project are commensurate with the Federal investment. Reclamation therefore commits to working with the Authority to seek additional authorization and appropriations to compensate the Authority for its contributed funds in the following amounts:

(a) 0 – 25 years: 100%

(b) 26 – 35 years: 50%

(c) 36 – 50 years: 25%

(d) After 51 years: 0%

(iii) If this Agreement is terminated pursuant to subarticles 2(b)(2)(i)-(ii) above, Reclamation will, consistent with applicable law, negotiate interim agreement(s) with the Authority or other party(ies), including but not limited to members represented by the Authority, under mutually agreeable terms and conditions to manage the Authority-Managed Share of Expanded Reservoir based on provisions of this Agreement until

the agreed-upon compensation in subarticle 2(b)(2)(ii) is provided or a new agreement for the management of the expanded San Luis Reservoir and cost share of charges associated with the raising of the B.F. Sisk Dam and increased storage capacity of the federally administered San Luis Reservoir is executed.

(3) Repayment. Pursuant to Reclamation law, Reclamation intends to recover any costs it incurs resulting from the termination of this Agreement.

(c) As an alternative to termination of this Agreement, Reclamation and a successor-in-interest to the Authority, including but not limited to Participating Agencies, may mutually agree to negotiate a new agreement for the management of the expanded San Luis Reservoir and cost share of charges associated with the raising of the B.F. Sisk Dam and increased storage capacity of the federally administered San Luis Reservoir. The Parties intend that such new agreement(s) would recognize the final storage benefits documented in exhibits to this Agreement.

(d) The United States and the Authority jointly shall review this Agreement, which review shall be performed at least every five (5) years. A more frequent review will occur if determined to be appropriate by the Contracting Officer or if requested by the Authority. The review shall compare the relative success which each Party has had in meeting its objectives, including, but not limited to, the Contributed Funds Agreement, an OM&R Agreement, a Spend Plan, and a Coordination Agreement, which agreements will be exhibits to this Agreement. Exhibits A through D to this Agreement, will be mutually agreed to and signed by the Parties and will be incorporated into this Agreement. In addition to Exhibits E and F to this agreement are hereby incorporated into this Agreement.

(e) As a condition of this agreement, by no later than October 1, 2025, the Parties must execute a Spend Plan and Contributed Funds Agreement and the Authority must deposit all funds identified as necessary and due by that date in the Spend Plan. If there is a failure to meet this condition, then this Agreement expires without further action from either Party. This timeframe for depositing funds may be extended, through the Spend Plan, at the discretion of the Contracting Officer. Exhibits to this Agreement may require modification which may be accomplished without amendment to this Agreement.

(f) This Agreement may be modified, amended, or terminated upon mutual agreement of the Parties in writing. All duties and obligations of the Parties under this Agreement will cease upon termination except as to any provisions that expressly survive the termination of the Agreement.

(g) Use of the meet and confer or dispute resolution process described in Article 7 is not a precondition to initiating termination under Article 2(b) of this Agreement.

COST SHARE

3. As provided for in WIIN Act §4007(b)(2), Reclamation may fund up to 50% of the Expansion Project costs so long as the benefits from the Expansion Project are commensurate with the Federal investment.

(a) Reclamation has the authority to share up to 50% of the costs of the Expansion Project; however, Reclamation and the Authority have agreed to an initial 70% Authority-Managed Share of Expanded Reservoir and a 30% Federal Share of Expanded Reservoir.

(1) Upon the determination of Substantial Completion of construction of the Expansion Project, Reclamation and the Authority will meet and confer within a reasonable time frame to complete a final accounting of the Expansion Project benefits to determine and mutually agree upon final storage benefits of the Expansion Project and the allocation to Reclamation and the Authority. The final storage benefits attributable to the Parties will be documented in Exhibit E to this Agreement.

(b) Eligible Expansion Project costs are as follows and will be shared in accordance with subarticle 3(a)(1) of this Agreement:

(1) The Parties have reviewed the Expansion Project costs incurred by the Authority and Reclamation prior to the effective date of this Agreement. The Parties acknowledge and agree that the Authority and Reclamation have incurred costs which, if allowable, will be credited to each Party's cost share obligation under applicable exhibits to this Agreement.

(2) Planning Costs: In an effort to reach a finding that the Expansion Project is feasible, certain planning level investigations were necessary and may continue to be necessary prior to commencement of construction. Such planning investigations will be consistent with Reclamation's Directives and Standards, *Water and Related Resources Feasibility Studies* (CMP 09-02).

(3) Environmental Mitigation and Compliance Costs: Either Party may fund environmental mitigation and compliance activities associated with this Agreement. These activities may include, but are not limited to, contracts for technical assistance in environmental mitigation, funding of environmental mitigation commitments, and any actions to ensure

consistency with the California Environmental Quality Act (CEQA) or Federal National Environmental Policy Act (NEPA) laws and regulations.

(4) Cultural Resource Management Costs: Either Party may fund cultural studies, investigations, and mitigation needs consistent with this Agreement. Reclamation will be responsible for all necessary consultations with state offices, Indian tribes, and interested parties pursuant to Section 106 of the National Historic Preservation Act of 1966, as amended. Reclamation will be responsible for compliance and coordination with the Native American Graves Protection and Repatriation Act of 1990.

(5) Permitting Costs: Additional permitting actions prior to construction of the Expansion Project and prior to declaring the Expansion Project Substantially Complete may be required. The Parties will jointly determine, as appropriate, the appropriate Party to obtain any necessary permit(s) and the appropriate cost share for the permitting actions.

(6) Administrative Costs: Reclamation will reserve sufficient funding from Federal appropriations to cover its administrative and management costs associated with the Expansion Project. This amount will be considered part of the overall Federal contribution. Reclamation will provide an estimate of the administrative costs for the Expansion Project which will be reviewed with the Authority. The Authority will reserve sufficient funding to pay for its administrative costs for the non-Federal share of the Expansion Project. These costs will be considered contributions to the non-Federal share of the Expansion Project and reported pursuant to subarticle 3(f) of this Agreement. Administrative costs include, unless otherwise defined by contracts: project management, construction management, accounting and administrative management, legal support and review, travel, general meetings related to the Expansion Project, contract/agreement technical meetings and negotiations, and other supportive services and

activities necessary for the construction and operation of the Expansion Project prior to the determination of Substantial Completion.

(7) Design Costs: Either Party may pay for part or all of various design costs for the Expansion Project. Reclamation will be responsible for design of the embankment of the San Luis Reservoir, but the Authority may contribute funds that will count towards the cost share. There may be the need for modifications during construction that may require further design work. These costs will be shared in accordance with subarticle 3(a)(1) of this Agreement.

(8) Construction Costs: Reclamation will serve as the procurement agency for, and will manage, the primary construction contract with respect to the embankment raise. All costs for this contract will be funded directly by Reclamation or with funds contributed to Reclamation by the Authority.

(9) Other Design and Construction Costs: Either Party may pay for part, or all of the remaining non-embankment design and construction costs of associated facilities affected or involved with the Expansion Project including, but not limited to, recreation facilities, power improvements to existing facilities, improvements to pumps, transportation, and other various components of the Expansion Project.

(c) Reclamation and the Authority have proposed using their collective funds to fund parts of the Expansion Project. A Contributed Funds Agreement may be necessary to help facilitate the transfer of funds to Reclamation from the Authority. Such an agreement, if needed, will be an exhibit to this Agreement. Any funds contributed to Reclamation for the Expansion Project will be considered part of the cost of this Expansion Project and shared in accordance with subarticle 3(a)(1) of this Agreement.

(d) There may be times when Reclamation provides funds to the Authority.

These funds will be provided through a financial assistance agreement. Any funds provided to the Authority for the Expansion Project will be considered part of the cost of this Expansion Project and shared in accordance with subarticle 3(a)(1) of this Agreement.

(e) Reclamation and the Authority will develop and execute a Spend Plan

containing mutually agreeable terms for the Authority to commit funding required under §4007(b)(3)(B) and §4011(e)(2) of the WIIN Act and to track costs and account for funds expended. The Spend Plan will be an exhibit to this Agreement.

(f) Prior to Substantial Completion, Reclamation and the Authority will

establish, at a minimum, quarterly check-ins to monitor actual expenditures related to the Expansion Project relative to the Parties' respective funding shares, and to discuss other items, including but not limited to, funding and any additional financial agreements. If there is a deficiency in expenditures under the Spend Plan, the Parties will meet and confer to agree upon a schedule to remedy the deficiency. If the Authority fails to resolve a deficiency within the agreed-upon schedule, then Reclamation may seek an alternative cost share partner or pursue other remedies prescribed in this Agreement.

(g) The duties and obligations of the Parties under subarticles 3(a)(1), 3(b)(1),

and 3(d) of this Agreement, would expressly survive termination of this Agreement.

MANAGEMENT OF EXPANDED RESERVOIR

4. Responsibility for the costs of operation, maintenance, and replacement of B.F.

Sisk Dam and San Luis Reservoir will continue to be governed by agreements between the United States and the State of California; the Authority shall neither execute nor be a Party to

any agreement with the State of California for the operation and maintenance of the B.F. Sisk Dam and the Historic Reservoir or the Expanded Reservoir.

(a) The Parties will draft and finalize an OM&R Agreement for the Expansion Project prior to the first entry of any water subject to this Agreement into any CVP facilities. All future OM&R costs associated with the Expansion Project will be commensurate to each Party's final investment, unless otherwise agreed to in writing by the Parties pursuant to this Agreement.

(b) Nothing in this Agreement shall imply or convey any rights or process to the Authority or their assignees for rights or privileges to water or operations in the Federal Share of Expanded Reservoir or the Historic Reservoir and the Authority agrees that it shall not seek these rights outside of this Agreement.

(c) The Parties agree that Reclamation and DWR retain the sole discretion over the operations of the Historic Reservoir. Operations of the Expanded Reservoir will be consistent with existing laws, agreements, and obligations and pursuant to the terms of this Agreement and in consultation with the Authority through the Water Coordinator.

(d) Federal Share of Expanded Reservoir: The management of any water in the Federal Share of Expanded Reservoir is at the sole discretion of Reclamation and will be managed in such a way to be consistent with State and Federal law and existing and future agreements, guidelines, and programs for Federal benefits.

(e) Authority-Managed Share of Expanded Reservoir: The Water Coordinator will manage and account for any water in the Authority-Managed Share of Expanded Reservoir consistent with the provisions below. All water stored in the Authority-Managed Share of

Expanded Reservoir will be for the exclusive benefit of the Authority pursuant to this Agreement.

(1) The Parties agree that the Participating Agencies, through the Authority, possess the ability to partner with non-Participating Agency parties regarding the use, marketing, and/or lease of capacity within the Authority-Managed Share of Expanded Reservoir and/or the storage of water in the Authority-Managed Share of Expanded Reservoir. The Authority shall indemnify the United States and its officers, employees, and agents for all damages resulting from suits, actions, or claims of any nature from these third-party agreements.

(2) The Authority agrees to use the Authority-Managed Share of Expanded Reservoir to store Acquired Water and/or CVP Water consistent with the terms of this Agreement. If a Participating Agency has any water type available to store in the Authority-Managed Share of Expanded Reservoir at the same time that Reclamation has CVP Water available to it to fill the Expanded Reservoir, and conveyance capacity is deemed available, the Participating Agency, through the Authority, may determine which water type will be (or is) stored on its behalf in the Authority-Managed Share of Expanded Reservoir. Water stored in the Authority-Managed Share of Expanded Reservoir will not be subject to the San Luis Rescheduling Guidelines and will not be displaced, or “spill,” upon the filling of the Federal Share of Historic Reservoir.

(3) Acquired Water

(i) With the exception of Non-CVP Water that may already exist in the Historic Reservoir and/or SWP water conveyed through the SWP or under agreement with Reclamation, Non-CVP Water is subject to a contract for the use of excess conveyance

capacity in Federal facilities, in order to convey Non-CVP Water to or from the Historic Reservoir.

(ii) Storage of Acquired Water in the Authority-Managed Share of Expanded Reservoir will not require a contract for Non-CVP Water use of excess capacity. However, any Non-CVP Water that is stored in the Authority-Managed Share of Expanded Reservoir that may be moved into and accounted for in the Historic Reservoir will require such a contract for storage in the Historic Reservoir.

(iii) For the purpose of this Agreement, San Joaquin River Restoration water recaptured consistent with permits issued by the State Water Resources Control Board, if acquired through agreement and/or stored under agreement, acknowledged by Reclamation, will be treated as Acquired Water and may be stored in the Authority-Managed Share of Expanded Reservoir.

(iv) Reclamation will not use Acquired Water for any purpose unless and until the Parties first mutually agree in writing to water or monetary compensation, or a combination thereof, prior to its use.¹ Reclamation's action to compensate the Authority, as mutually agreed, is final and conclusive.

(v) Consistent with Section B.2.i of the M&I Water Shortage Policy, as may be amended or superseded, the Contracting Officer will consider Acquired Water in the Authority-Managed Share of Expanded Reservoir as having been acquired by Participating

¹ Subject to Article 11, monetary compensation will be of either the total acquisition cost of the water when it was acquired by the contractor or the current year market rate (replacement cost), whichever is greater.

Agencies to meet individual public health and safety responsibilities and not subject to nor counted against a Participating Agency's available water.

(4) CVP Water

(i) Article 3(a) Water: Following the CVP contract allocation of Water Made Available under Article 3(a) of a Participating Agency's water service/repayment contract, the Water Coordinator may inform Reclamation as to the amount of water to be accounted for under this subarticle, up to the maximum storage capacity of the Authority-Managed Share of Expanded Reservoir.

(ii) Article 3(f) Water: Each Participating Agency holds a repayment contract that provides a mechanism for Reclamation to make water available to each Participating Agency in addition to the Participating Agency's CVP contract allocation in a given Year. This mechanism is most often described in Article 3(f) of the Participating Agencies' repayment contracts, and so such water is referred to as "Article 3(f) water." For the purpose of this Agreement, the Contracting Officer will make Article 3(f) water available to each Participating Agency to store in the Authority-Managed Share of Expanded Reservoir in addition to the Participating Agency's CVP contract allocation in every Year that Article 3(f) water is available, as described below:

(a) Following the filling of the Federal Share of Historic Reservoir, Reclamation will make a determination whether Article 3(f) water is available to all south-of-Delta CVP water service/repayment contractors with available storage or conveyance capacity to take Article 3(f) water pursuant to their respective water service/repayment contracts.

(b) Upon making Article 3(f) water available, Reclamation will fill the Authority-Managed Share of Expanded Reservoir and the Federal Share of Expanded Reservoir on a proportionate basis in accordance with this Agreement.

(1) Reclamation will fill the Expanded Reservoir until such a time that the Authority-Managed Share of Expanded Reservoir is full or the Authority-Managed Share and the Federal Share of Expanded Reservoir are full.

(2) Any Article 3(f) water used to fill a portion of the Authority-Managed Share of Expanded Reservoir will be managed and accounted for by the Water Coordinator within the Authority-Managed Share of Expanded Reservoir.

(3) Water made available under this subarticle 4(e)(4)(ii) and stored in the Authority-Managed Share of Expanded Reservoir can be scheduled for delivery at a later date in coordination with the Water Coordinator.

(iii) Reclamation, at its discretion and in coordination with the Water Coordinator, will only use CVP Water in the Authority-Managed Share of Expanded Reservoir to meet the unmet required deliveries for south-of-Delta San Joaquin River Exchange Contractors and CVP Settlement Contractors, the unmet required CVPIA allocation for south-of-Delta Level 2 refuges, and the unmet required public health and safety needs as defined by the M&I Water Shortage Policy as may be amended or superseded, consistent with the following provisions:

(a) Upon the initial CVP contract allocation on or about February 20, if Reclamation announces a 0% contract allocation for south-of-Delta agricultural contractors and determines a forecasted need (based on the 90% exceedance forecast) for CVP

Water stored in the Authority-Managed Share of Expanded Reservoir for the purposes enumerated in subarticle 4(e)(4)(iii) above, Reclamation will promptly notify the Authority of this forecasted need. Reclamation, in coordination with the Water Coordinator, will update its forecast and re-evaluate the forecasted need for use of CVP Water stored in the Authority-Managed Share of Expanded Reservoir throughout the Year or upon request by the Water Coordinator supported by evidence justifying the request, including information regarding any changes in forecasted need, the timing of such need, and the quantity of such need.

(b) In any Year when such a potential need has been identified, the Authority's March 1 monthly delivery schedule (see subarticle 4(i)(6) below) shall demonstrate delivery of CVP Water out of the Authority-Managed Share of Expanded Reservoir on or before April 1. After April 1, Reclamation may use CVP Water stored in the Authority-Managed Share of Expanded Reservoir, together with other available CVP water supplies, for the purposes identified in subarticle 4(e)(4)(iii) above.

(c) On or around May 20, aligned with an updated May forecast, Reclamation will notify the Authority of any CVP Water in the Authority-Managed Share of Expanded Reservoir that was not delivered for the purposes identified in subarticle 4(e)(4)(iii) above. Upon such notification, the Authority may resume deliveries out of the Authority-Managed Share of Expanded Reservoir per updated schedules. Alternatively, if at any time the contract allocation for south-of-Delta agricultural contractors increases above 0%, the Authority may resume deliveries out of the Authority-Managed Share of Expanded Reservoir per updated schedules.

(d) Reclamation intends to use all available CVP Water supplies stored in the Federal Share of Historic Reservoir and Federal Share of Expanded

Reservoir, and any other supply available to Reclamation intended to mitigate conditions of drought consistent with the terms of the corresponding programs, to meet the purposes identified in subarticle 4(e)(4)(iii) above prior to using any CVP Water stored in the Authority-Managed Share of Expanded Reservoir. Prior to the end of any Year in which Reclamation has used CVP Water stored in the Authority-Managed Share of Expanded Reservoir, Reclamation will, in coordination with the Water Coordinator, perform an analysis to determine consistency with this intent, and will true up reservoir accounting if needed.

(5) If Reclamation uses Acquired Water or CVP Water stored in the Authority-Managed Share of Expanded Reservoir to meet the purposes identified in subarticle 4(e)(4)(iii) above, Reclamation shall reimburse or credit the Authority for the applicable OM&R costs. Therefore, the quantity of CVP Water or Acquired Water used by Reclamation will be included in the calculation of that Year's Federal OM&R cost obligation allocated by DWR for the Expanded Reservoir and will be deducted from the Authority's share of OM&R cost obligation for the Year in which Acquired Water or CVP Water was used by Reclamation.

(f) Displacement of CVP Water: In order to store Acquired Water in the Authority-Managed Share of Expanded Reservoir, the Water Coordinator, in coordination with Reclamation, will if needed, move CVP Water out of the Authority-Managed Share of Expanded Reservoir. CVP Water can be transferred, exchanged, or delivered subject to applicable statutes, regulations, guidelines, and policies. If the CVP Water cannot be timely transferred, exchanged, or delivered, it will move in the following way and in the following order of priority:

(1) CVP Water moves from the Authority-Managed Share of Expanded Reservoir to the Historic Reservoir unless the Historic Reservoir is full.

514 (2) If the Historic Reservoir is full, then the CVP Water moves to the
515 Federal Share of Expanded Reservoir; and

516 (3) If the CVP Water cannot be moved as described above, then
517 Reclamation can make the CVP Water available to CVP contractors per existing CVP water
518 service/repayment contracts, and subject to applicable regulations, guidelines, and policies.
519 Reclamation will retain full discretion as to the disposition of the CVP Water.

520 (g) Losses: All water in the Authority-Managed Share of Expanded Reservoir
521 will be subject to water loss criteria that is applied based on reservoir losses caused by
522 evaporation and seepage and charged to Reclamation as part of its joint operations with DWR,
523 with the Authority and Reclamation sharing losses proportionate to the water then-stored in the
524 Expanded Reservoir.

525 (h) Operation and Maintenance Costs of the San Luis Reservoir: As a result of
526 the Expanded Reservoir, Reclamation may have an increased share of the cost of the operation
527 and maintenance of the B.F. Sisk Dam and San Luis Reservoir. The Parties agree that costs will
528 be paid consistent with existing laws, agreements, and policy, as may be amended or superseded.
529 Further, the Authority agrees it will specifically pay for OM&R costs associated with the
530 Authority-Managed Share of Expanded Reservoir; the details regarding such payment and costs
531 will be defined in an OM&R Agreement, which will be an exhibit to this Agreement.

532 (i) Coordination Agreement: Prior to the operation of the Expanded
533 Reservoir, Reclamation and the Authority will develop a Coordination Agreement to coordinate
534 and communicate and define roles and responsibilities prior to the storage of water in the
535 Expanded Reservoir which will be an exhibit to this Agreement. The Coordination Agreement
536 will, among other things:

537 (1) Define the frequency of coordination between the Parties.

538 (2) Establish a Reclamation approved accounting methodology and
539 system of accounting for water in the Authority-Managed Share of Expanded Reservoir.

540 (3) Provide for a dispute resolution process.

541 (4) Provide for a Water Coordinator. The Parties agree that a Water
542 Coordinator will be provided and paid for by the Authority who will coordinate with
543 Reclamation regarding the management of any water moving into, stored in, or moving out of
544 the Authority-Managed Share of Expanded Reservoir, who will account for the water in the
545 Authority-Managed Share of Expanded Reservoir, including losses, and who will be responsible
546 for the provisional data and coordinating with Reclamation on reconciliation at the end of the
547 contract year and prior to initial allocations of the following Year.

548 (5) Describe the coordination process referenced in subarticle
549 4(e)(4)(iii) above, including but not limited to the frequency and methods through which
550 Reclamation will share forecasting and allocation information with the Water Coordinator on
551 behalf of the Authority.

552 (6) Describe the monthly schedules that the Authority, through the
553 Water Coordinator, will submit to Reclamation to show the volumes of water to be delivered out
554 of the Authority-Managed Share of Expanded Reservoir, and Reclamation's duty to use all
555 reasonable means to deliver the water in accordance with the initial schedule submitted by the
556 contractor, or any written revision(s) deemed satisfactory to the Contracting Officer, thereto
557 submitted within a reasonable time prior to the date(s) on which the requested change(s) is/are to
558 be implemented.

(7) Describe the methods through which the Parties will acquire access to conveyance capacity.

(j) Following a determination of Substantial Completion of construction of the Expansion Project, the duties and obligations of the Parties under subarticles 4(e)-(h) may survive termination of this Agreement if the Parties mutually agree.

COORDINATION AND COOPERATION

5. (a) In order to further the goals and objectives of this Agreement, Reclamation and the Authority shall communicate, coordinate, and cooperate with each other. The communication, coordination, and cooperation provided for hereunder shall extend to all provisions of this Agreement. Each Party shall retain exclusive decision-making authority for all actions, opinions, and determinations to be made by the respective Party.

(b) Nothing in this Article shall be construed to limit or constrain Reclamation's ability to communicate, coordinate, and cooperate with the Authority or to make decisions in a timely fashion as needed to protect health, safety, or the physical integrity of structures or facilities.

EXISTING CONTRACTS

6. (a) Nothing in this Agreement, in any way, alters, changes, or amends existing water service/repayment contracts with the United States, or supersedes, negates, or changes or is intended to change any past course of dealings, past practices or precedent.

(b) If any conflict arises between this Agreement and the water service/repayment contract of any Participating Agency or any non-Participating Agency partner, then the respective water service/repayment contract takes precedence.

DISPUTE RESOLUTION

7. (a) Should any dispute arise concerning any provision(s) of this Agreement, or the Parties' rights and obligations thereunder, the United States and the Authority shall meet and confer in an attempt to resolve the dispute. Prior to the Authority commencing any legal action, or the Contracting Officer referring any matter to the Department of Justice, the Party shall provide to the other Party thirty (30) days' written notice of the intent to take such action; *Provided, That* such notice shall not be required where a delay in commencing an action would prejudice the interests of the Party that intends to file suit. During the thirty (30)-day notice period, the Parties shall meet and confer in an attempt to resolve the dispute. Except as specifically provided, nothing herein is intended to waive or abridge any right or remedy that the Authority or the United States may have.

(b) Reclamation shall have no responsibility to participate in or resolve disputes between the Authority and the Participating Agencies regarding this Agreement.

WAIVER OF NON-COMPLIANCE WITH ANY PROVISION OF THIS AGREEMENT

8. (a) The waiver by either Party to this Agreement as to any non-compliance with any provision of this Agreement shall not be construed as a waiver of any other non-compliance with any provision of this Agreement or as authority of the other Party to continue such non-compliance with any provision of this Agreement or to make, do, or perform, or not make, do, or perform, as the case may be, any act or thing which would constitute non-compliance with any provision of this Agreement.

(b) Nothing contained in this Agreement shall be construed as in any manner abridging, limiting, or depriving the United States, represented by the Contracting Officer, or the

Authority, of any means of enforcing any remedy, either at law or in equity, for the breach of any of the provisions hereof which it would otherwise have.

OPINIONS AND DETERMINATIONS

9. (a) Where the terms of this Agreement provide for actions to be based upon the opinion or determination of either Party to this Agreement, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. Both Parties, notwithstanding any other provisions of this Agreement, expressly reserve the right to seek relief from and appropriate adjustment for any such arbitrary, capricious, or unreasonable opinion or determination. Each opinion or determination by either Party shall be provided in a timely manner. Nothing in this subdivision (a) of this Article is intended to or shall affect or alter the standard of judicial review applicable under Federal law to any opinion or determination implementing a specific provision of Federal law embodied in statute or regulation.

(b) The Contracting Officer shall have the right to make determinations necessary to administer this Agreement that are consistent with the provisions of this Agreement, the laws of the United States, and the rules and regulations promulgated by the Secretary. Such determinations shall be made in consultation with the Authority to the extent reasonably practicable.

(c) Nothing in this Agreement, or performance hereunder, constitutes a waiver of the Parties' respective positions, opinions, or interpretations of California water rights law, whatever they may be, in circumstances where there is no mutual agreement, as applicable herein, for the use of the Expanded Reservoir.

(d) The Parties recognize certain third-party benefits and obligations as provided for in Article 4(e)(1), 4(e)(2), 4(e)(3)(iii), 4(e)(3)(iv), 4(e)(3)(v), 4(e)(4)(i), and 4(e)(4)(ii), coordinated through the Authority consistent with Exhibit F.

NOTICES

10. Any notice, demand, or request authorized or required by this Agreement shall be deemed to have been given, on behalf of the Authority, when mailed, postage prepaid, or delivered to the Regional Director, California Great Basin Region, Bureau of Reclamation, 2800 Cottage Way, Sacramento, CA, 95825, and on behalf of the United States, when mailed, postage prepaid, or delivered to the San Luis & Delta-Mendota Water Authority, 842 6th Street, Los Banos, CA 93635.

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

11. The expenditure or advance of any money or the performance of any obligation of the United States under this Agreement shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Authority from any obligations under this Agreement. No liability shall accrue to the United States in case funds are not appropriated or allotted.

OFFICIALS NOT TO BENEFIT

12. No Member of or Delegate to the Congress, Resident Commissioner, or official of the Authority shall benefit from this Agreement other than as a water user or landowner in the same manner as other water users or landowners.

ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

13. (a) The provisions of this Agreement shall apply to and bind the successors and assigns of the Parties hereto, but no assignment or transfer of this Agreement or any right or interest therein by either Party shall be valid until approved in writing by the other Party.

(b) Reclamation shall not unreasonably withhold its consent to an assignment of the Authority's rights and obligations under this Agreement to a third party.

BOOKS, RECORDS, AND REPORTS

14. The Authority shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Agreement, including the Authority's financial transactions; water supply data; project operation, maintenance, and replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting

Officer may require. Reports shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations, each Party to this Agreement shall have the right during office hours to examine and make copies of the other Party's books and records relating to matters covered by this Agreement.

COMPLIANCE WITH LAWS

15. (a) The Parties agree that the delivery of irrigation water or use of Federal facilities pursuant to this Agreement is subject to Federal reclamation law, including but not limited to the Reclamation Reform Act of 1982 (43 U.S.C. 390aa, et seq.), as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal reclamation law.

(b) The Contracting Officer shall have the right to make determinations necessary to administer this Agreement that are consistent with its expressed and implied provisions, the laws of the United States and the rules and regulations promulgated by the Secretary of the Interior. Such determinations shall be made in consultation with the Authority.

(c) In protecting the interests of the United States, Reclamation's contracts and its contracting process must comply with all applicable Federal, state, tribal, and local laws. These laws may include environmental, civil rights, and cultural resources protection laws, among others, as well as laws that may be later enacted. Reclamation's water-related contracts will be drafted in a manner that allows Reclamation to take actions necessary to comply with all applicable laws.

EQUAL EMPLOYMENT OPPORTUNITY

16. The following language is required by Executive Order No. 11246 of September 24, 1965, in all government contracts unless and until it is superseded or amended.

During the performance of this Agreement, the Authority agrees as follows:

(a) The Authority will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Authority will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Authority agrees to post in conspicuous

690 places, available to employees and applicants for employment, notices to be provided by the
691 Contracting Officer setting forth the provisions of this nondiscrimination clause.

692 (b) The Authority will, in all solicitations or advancements for employees
693 placed by or on behalf of the Authority, state that all qualified applicants will receive
694 consideration for employment without regard to race, color, religion, sex, sexual orientation,
695 gender identity, or national origin.

696 (c) The Authority will not discharge or in any other manner discriminate
697 against any employee or applicant for employment because such employee or applicant has
698 inquired about, discussed, or disclosed the compensation of the employee or applicant or another
699 employee or applicant. This provision shall not apply to instances in which an employee who has
700 access to the compensation information of other employees or applicants as a part of such
701 employee's essential job functions discloses the compensation of such other employees or
702 applicants to individuals who do not otherwise have access to such information, unless such
703 disclosure is in response to a formal complaint or charge, in furtherance of an investigation,
704 proceeding, hearing, or action, including an investigation conducted by the employer, or is
705 consistent with the Authority's legal duty to furnish information.

706 (d) The Authority will send to each labor union or representative of workers
707 with which he has a collective bargaining agreement or other contract or understanding, a notice,
708 to be provided by the agency Contracting Officer, advising the labor union or workers'
709 representative of the Authority's commitments under section 202 of Executive Order No. 11246
710 of September 24, 1965, and shall post copies of the notice in conspicuous places available to
711 employees and applicants for employment.

712 (e) The Authority will comply with all provisions of Executive Order No.
713 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of
714 Labor.

715 (f) The Authority will furnish all information and reports required by
716 Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of
717 the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and
718 accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to
719 ascertain compliance with such rules, regulations, and orders.

720 (g) In the event of the Authority's noncompliance with the nondiscrimination
721 clauses of this Agreement or with any of such rules, regulations, or orders, this Agreement may
722 be canceled, terminated or suspended in whole or in part and the Authority may be declared
723 ineligible for further Government contracts in accordance with procedures authorized in
724 Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and
725 remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule,
726 regulation, or order of the Secretary of Labor, or as otherwise provided by law.

727 (h) The Authority will include the provisions of paragraphs (a) through (h) in
728 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the

Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Authority will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Authority becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Authority may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH CIVIL RIGHTS

17. (a) The Authority shall comply with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the applicable implementing regulations and any guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

(b) These statutes prohibit any person in the United States from being excluded from participation in, being denied the benefits of, or being otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By executing this Agreement, the Authority agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

(c) The Authority makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the Authority by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Authority recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article and that the United States reserves the right to seek judicial enforcement thereof.

(d) Complaints of discrimination against the Authority shall be investigated by the Contracting Officer's Office of Civil Rights.

CERTIFICATION OF NONSEGREGATED FACILITIES

18. The Authority hereby certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not permit its employees to perform their services at any location under its control where segregated facilities are maintained. It certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments and that it will not permit its employees to perform their services at any location under its control where segregated facilities are

maintained. The Authority agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in this Agreement. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, disability, or otherwise. The Authority further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Employment Opportunity clause; that it will retain such certifications in its files; and that it will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

**NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
CERTIFICATIONS OF NONSEGREGATED FACILITIES**

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. § 1001.

MEDIUM FOR TRANSMITTING PAYMENTS

19. (a) All payments from the Authority to the United States under this Agreement shall be by the medium requested by the United States on or before the date payment is due. The required method of payment may include checks, wire transfers, or other types of payment specified by the United States.

(b) Upon execution of the Agreement, the Authority shall furnish the Contracting Officer with the Authority's taxpayer's identification number (TIN). The purpose for requiring the Authority's TIN is for collecting and reporting any delinquent amounts arising out of the Authority's relationship with the United States.

AGREEMENT DRAFTING CONSIDERATIONS

20. This Agreement has been negotiated and reviewed by the parties hereto, each of whom is sophisticated in the matters to which this Agreement pertains. The double-spaced Articles of this Agreement have been drafted, negotiated, and reviewed by the parties, and no one party shall be considered to have drafted the stated articles. Single-spaced articles are standard articles pursuant to Reclamation policy.

808 By: _____
809 Regional Director
810 Interior Region 10: California-Great Basin
811 Bureau of Reclamation

814 By: _____
815 Chair, Board of Directors
816 Attest:

37

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FIRST AMENDED AND RESTATED B.F. SISK DAM RAISE AND RESERVOIR
EXPANSION PROJECT ACTIVITY AGREEMENT

This **FIRST AMENDED AND RESTATED B.F. SISK DAM RAISE AND RESERVOIR EXPANSION PROJECT ACTIVITY AGREEMENT** (“**Activity Agreement**”) is entered into and made effective as of this ____ day of _____ 2025 (“**Effective Date**”), by and among the San Luis & Delta-Mendota Water Authority (“**Authority**”), a joint powers agency of the State of California, and its members who execute this Agreement, who are hereinafter referred to jointly by the plural term “**Activity Agreement Members**.” Capitalized terms used in this Activity Agreement shall have the meanings set forth in Section 2 below.

1. RECITALS

A. The parties to this Activity Agreement, together with certain other local agencies, have entered into an amended and restated Joint Exercise of Powers Agreement-San Luis & Delta-Mendota Water Authority dated as of January 1, 1992 (the “**JPA**” or “**JPA Agreement**”) establishing the Authority for the purpose of exercising the common powers of the parties indicated therein, including those powers described in this Activity Agreement.

B. The Activity Agreement Members are each empowered, among other powers, to provide water service to lands within their boundaries; to operate and maintain works and facilities for the development, distribution, and use of water for agricultural irrigation and for any drainage or reclamation works connected therewith or incidental thereto and/or to operate and maintain works and facilities for the development, distribution and use of water for municipal and industrial use; to contract with the United States, the State, and other public agencies and, effective January 1, 1995, with mutual water companies, for such purposes; to control the quality of water accepted into their respective systems; to exercise powers related to the construction, operation, or maintenance of water storage and delivery facilities; and to adopt rules and regulations necessary to the exercise of such powers.

C. The Activity Agreement Members have each entered into contracts with the United States for water from the Central Valley Project (“**CVP**”) and receive water conveyed through the Delta-Mendota Canal, the San Luis Canal, and/or the Pacheco Pumping Plant and Tunnel.

D. Due to hydrologic conditions and/or policy and regulatory constraints, the operation of the CVP by the United State Bureau of Reclamation (“**Reclamation**”) will likely First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement

result in shortages of supply, which would result in less water being made available to members of the Authority than is required to meet customer demands.

E. The Authority authorized execution of a series of cost-share agreements with Reclamation to collaborate on the planning, preliminary design, and environmental compliance for the B.F. Sisk Dam Raise and Reservoir Expansion Project (“**Reservoir Expansion Project**” or “**Project**”), and to seek potential storage benefits of the Project for Authority member agencies.

F. The Authority and Byron-Bethany Irrigation District, Del Puerto Water District, Eagle Field Water District, Pacheco Water District, Panoche Water District, San Benito County Water District, San Luis Water District, Santa Clara Valley Water District, Westlands Water District and the City of Tracy executed the B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement, made effective as of May 9, 2022, to facilitate the funding of planning, preliminary design, and environmental compliance for the Reservoir Expansion Project. Eagle Field Water District, Panoche Water District, and Pacheco Water District later withdrew from the Activity Agreement.

G. In accordance with the National Environmental Policy Act (“**NEPA**”) and the California Environmental Quality Act (“**CEQA**”), Reclamation and the Authority completed the B.F. Sisk Dam and Reservoir Expansion Project Final Environmental Impact Report/Supplemental Environmental Impact Statement (“**Final EIR/SEIS**”).

H. Reclamation and the Authority signed a Record of Decision and Notice of Determination for the Project, respectively, on October 20, 2023.

I. The Project will create approximately 130,000 acre-feet of additional storage space in San Luis Reservoir and includes related modification to Highway 152.

J. The Authority has finalized an agreement for the management of the Project and cost share of charges associated with the raising of the B.F. Sisk Dam and increased storage capacity of the federally administered San Luis Reservoir with the United States (“**Management and Cost Share Agreement**”). The cost share provisions of the agreement provide that Reclamation has the authority to share up to 50% of the costs of the Project, although Reclamation and the Authority have agreed to an initial 70% Authority share and 30% federal share of costs (including, but not limited to costs associated with Project design and construction).

K. Following execution of the Management and Cost Share Agreement, the Authority also intends to negotiate additional, related agreements, including, but not limited to, a Contributed

Funds Agreement, Spend Plan, Coordination Agreement, and O&M Agreement (together, the “**Follow-On Agreements**”). Together with the Management and Cost Share Agreement, the Follow-On Agreements will govern the cost sharing, design, construction, coordination activities, and operation of the Project.

L. The Authority is participating in the Project on behalf of individual water agencies that will provide funding in exchange for water storage and supply benefits provided by the Project. The intent of the relationship established among Reclamation, the Authority, and Activity Participants is to provide the benefits of the Project to the Activity Participants through the Authority’s participation.

M. This Activity Agreement governs members’ participation in the Project through design, financing, construction, and implementation, or until Activity Participants form one or more separate joint powers authorities to govern their participation in the Project.

N. Each of the parties to this Activity Agreement desires to participate in the benefits and incur the obligations associated with continued project management and the Management and Cost Share Agreement and Follow-On Agreements, through the joint exercise of their common powers under this Activity Agreement.

O. The Authority and each of the Activity Agreement Members have shared, and continue to have, a common interest in sharing information and resources reasonably necessary to accomplish the purpose in this Activity Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the true and correct facts recited above, and of the covenants, terms, and conditions set forth herein, the Activity Agreement Members and the Authority agree as follows:

2. DEFINITIONS

2.1. “**Activity Agreement**” or “**Agreement**” shall mean this First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement.

2.2. “**Activity Agreement Expenses**” shall mean all expenses directly incurred by the Authority pursuant to this Activity Agreement and any agreements executed in conjunction with this Activity Agreement, together with a share of Authority Operating Costs allocable to Activity Agreement Members and to any Non-Member Participating Parties through Memoranda of Understanding executed in conjunction with this Activity Agreement.

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2.3. **“Activity Agreement Member”** shall mean a member of the Authority who is signatory to this Activity Agreement. The Activity Agreement Members are listed on Exhibit “A” attached hereto.

2.4. **“Activity Participants”** shall mean the Activity Agreement Members and the Non-Member Participating Parties, as defined below.

2.5. **“Administration Agreements”** shall mean those certain agreements between the Authority and Activity Agreement Members for the undertaking of activities and sharing of costs and benefits pursuant to Sections 22 and 23 of the JPA.

2.6. **“Authority”** shall mean the San Luis & Delta-Mendota Water Authority.

2.7. **“Authority Operating Costs”** shall mean the Authority’s rent and other occupancy charges, acquisition costs of office furniture and equipment, cost of cars and other vehicles, insurance premiums, salaries and wages of employees including payments in connection with retirement programs and other benefit programs, fees of creditors, lawyers, engineers and other consultants, travel, telephone, telecopy, and photocopy expenses, and any other general administrative expenses.

2.8. **“Board of Directors”** shall mean the Board of Directors of the San Luis & Delta-Mendota Water Authority.

2.9. **“Fiscal Year”** shall mean the Authority’s March 1 - February 28/29 fiscal year.

2.10. **“JPA”** or **“JPA Agreement”** shall mean that certain Joint Exercise of Powers Agreement effective January 1, 1992, establishing the Authority, as has been and may be amended or restated over time.

2.11. **“Management and Cost Share Agreement”** shall mean the Agreement Between the United States and the San Luis & Delta-Mendota Water Authority for the Management of the Expanded San Luis Reservoir and Cost Share of Charges Associated with Raising of the B.F. Sisk Dam and Increased Storage Capacity of the Federally Administered San Luis Reservoir (Contract No. 24-WC-20-6280) entered into by the Authority on behalf of the Activity Agreement Members.

2.12. **“Memorandum of Understanding”** or **“MOU”** shall mean an agreement in the form approved by the Activity Agreement Members and Authority Board of Directors between the Authority and a local agency, city, county, or mutual water company that is not a member of the Authority but which desires to participate in this Activity Agreement as a Non-Member

Participating Party; “**Memoranda of Understanding**” or “**MOUs**” shall refer collectively to all such Memoranda of Understanding.

2.13. “**Non-Member Participating Party**” shall mean a local agency, city, county, or mutual water company that is not a member of the Authority but which by execution of an MOU agrees to undertake the same obligations and is accorded the many of same benefits as a member of the Authority that has executed this Activity Agreement. The Non-Member Participating Parties are listed on Exhibit “A” attached hereto.

2.14. “**Participation Percentage**” shall mean each Activity Participant’s allocated share of Activity Agreement Expenses and Project benefits, as determined and as described in Section 10 of this Agreement and set forth on Exhibit “B” as updated from time to time.

2.15. “**Project Participation Percentage**” shall mean the total of the Activity Participants’ shares in the Project, which is equal to the entirety of the storage capacity associated with the “Authority-Managed Share of Expanded Reservoir,” as defined in the Management and Cost Share Agreement.

2.16. “**Reservoir Expansion Project**” or “**Project**” shall mean the proposed project pertaining to the planning, design, permitting, and other preconstruction activities associated with the B.F. Sisk Dam Raise and Reservoir Expansion Project, as well as the construction, operation, and management of the expanded San Luis Reservoir.

2.17. “**Water Coordinator**” shall mean the individual provided for in subarticle 4(i)(4) of the Management and Cost Share Agreement.

3. PURPOSE OF AGREEMENT

3.1. The purpose of this Activity Agreement is to allow, through the joint exercise of some or all of the common powers of the Activity Agreement Members described in the Recitals above, as appropriate, the Activity Agreement Members to participate through the Authority in the benefits and obligations associated with the Project through design, financing/issuance of debt, construction of the Project, and implementation (operation and management) of the expanded San Luis Reservoir, or until the interests, rights, duties, and obligations of the Authority under this Activity Agreement and under the Management Cost Share Agreement are assigned to a new entity or entities comprised of the Activity Participants. The Authority and the Activity Agreement Members intend that the benefits and obligations associated with the Project, including but not limited to storage capacity and Article 3(f) water as defined in the Management and Cost Share First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement

Agreement, will be allocated to Activity Participants consistent with the Participation Percentages described in Section 10 of this Activity Agreement, and documented in Exhibit "B."

3.2. The parties acknowledge and agree that the Authority's role in this Activity Agreement is to: 1) provide the umbrella joint powers agreement pursuant to which the parties may exercise their common powers and to provide coordinated services at the expense of the Activity Agreement Members; 2) negotiate, implement, and administer the Management and Cost Share Agreement and Follow-On Agreements in coordination with the Activity Agreement Members; 3) provide administrative services for implementation of the Management and Cost Share Agreement and Follow-On Agreements, including, but not limited to, providing notices, billings, and accounting services to the Activity Agreement Members during the term hereof; and 4) undertake such additional activities and responsibilities as necessary, including project management, and retaining and supervising other employees or consultants as may be requested and funded by the Activity Agreement Members.

4. ORGANIZATION

4.1. The business of this Activity Agreement shall be conducted by the Authority at large and therefore be governed by the Board of Directors of the Authority. However, it is recognized that, at some time in the future the Activity Participants may wish to form a separate body specifically for the purpose of directing the business of the Activity Agreement (a "Steering Committee"). If the Activity Participants unanimously agree that a Steering Committee is in the best interest of all parties, the Board of Directors of the Authority will consider establishing the organizational structure proposed by the Activity Participants, which will be described in an amendment to this Activity Agreement, and that organizational structure may then serve as the governing body for this Activity Agreement.

4.2. It is intended that, at some time in the future, the business of this Activity Agreement will be moved from the Authority to a new entity or entities comprised of Activity Participants, and the Authority will, upon approval of the Activity Participants, assign all of its interests, rights, duties, and obligations under this Activity Agreement and under the Management and Cost Share Agreement to such new entity(ies) (see Section 17 of this Activity Agreement).

5. ROLE OF AUTHORITY: POWERS RESERVED TO BOARD OF DIRECTORS AND LIMITATIONS THEREON

5.1. Role of the Authority.

a. The role of the Authority under this Activity Agreement will be to provide, through Authority staff or contracts with consultants, coordinated services to assist the Activity Participants in conducting the activities contemplated by this Agreement. The Authority will provide only those services supported with funding from the Activity Participants, grant funding, or other means that will not impose costs on members of the Authority that are not Activity Agreement Members, in accordance with budgets recommended by staff, and approved by the Activity Participants and the Board of Directors, as more specifically provided under the terms of this Agreement.

5.2. Powers Reserved to Board of Directors and Limitations Thereon.

a. The Board of Directors shall have ultimate approval authority over all Activity Agreement annual budgets based upon the recommendation of staff and approval of the Activity Participants; provided, the Board of Directors may only alter an Activity Agreement annual budget in a manner consistent with the Activity Participants' recommendation.

b. The Board of Directors shall have the right, upon recommendation of or in consultation with staff, and the approval of Activity Participants, to approve all amendments to this Activity Agreement, including any amendment terminating the Activity Agreement, and to approve an MOU with each entity seeking to become a Non-Member Participating Party.

c. The Board of Directors shall have the right, upon the recommendation of or in consultation with staff, and the approval of Activity Participants, in the form of formal Board action, to authorize execution of all agreements relating to the Project.

d. The Board of Directors shall have the right, upon the recommendation of or in consultation with staff, and the approval of Activity Participants, to act on any claims and to make decisions concerning the prosecution of, defense of, or other participation in actions or proceedings at law brought by or against the Authority arising from this Activity Agreement; provided if that action is taken at the request of the Activity Participants then the costs for such action shall be borne by the Activity Participants.

e. The Board of Directors delegates to staff the power to conduct the activities described in this Activity Agreement pursuant to the terms of this Activity Agreement and MOUs, without the required approval of the Board. This delegation shall specifically include, but not be limited to, the power to enter into contracts within approved Activity Agreement budgets.

6. APPROVAL BY AN ACTIVITY PARTICIPANT OR ACTIVITY PARTICIPANTS

6.1. When the terms of this Activity Agreement or applicable law require the approval of an Activity Participant, written documentation of such approval, whether by Resolution, motion, or other form of authorization, must be provided to the Authority and to each of the other Activity Participants.

a. For actions requiring the approval of only the particular Activity Participant, approval by such Activity Participant is required.

b. When approval by the Activity Participants is required for a particular action, unanimous approval of the Activity Participants will be required relative to the following actions within sixty (60) days. Failure to respond within sixty (60) days will be deemed approval.

1. Admitting a new Activity Participant(s);
2. Establishing or modifying the Participant Percentage applicable to the Activity Participants;
3. Execution of the Follow-On Agreements;
4. Amendment or termination of this Activity Agreement for any reason other than a complete assignment of interests to a new entity or entities; and
5. Removal of an Activity Participant pursuant to Section 14.7 (financial default) excluding the vote of the Activity Participant about which the determination is being made.

c. For an assignment of the Authority's interests and the Activity Participants' interests in both the Management and Cost Share Agreement and this Activity Agreement to a new entity or entities comprised of the Activity Participants, the approval by Activity Participants collectively holding at least 90% of the total Project Participation Percentage will constitute approval of the action. If such assignment is approved, this Activity Agreement will be automatically terminated upon assignment of the Authority's interests to the new entity or entities.

d. For all other actions that require approval of the Activity Participants, including approval of an annual budget, selection of the Water Coordinator and other consultants, the approval by Activity Participants collectively holding at least 85% of the total Project Participation Percentage will constitute approval of the action.

7. BUDGETARY RESPONSIBILITIES

To the extent that the Authority prepares budgets for this Activity Agreement, the Authority shall coordinate with Activity Participants in the development of any such budgets for the activities authorized by this Activity Agreement, annually or more frequently as needed, for presentation to the Board of Directors in accordance with Section 22 of the JPA Agreement. The Authority staff will not present to the Board of Directors a budget for this Activity Agreement unless and until approved by the Activity Participants. Budgeted amounts for this Activity Agreement will be collected through the invoicing process described below, and, provided the Activity Participants approve, formal amendment of such budgets by the Board of Directors is not required for adjustments of expenditure for activities authorized by this Activity Agreement. It is understood that costs incurred by the Authority under the Management and Cost Share Agreement and Follow-On Agreements will be included in the budget for this Activity Agreement, and allocated to Activity Participants consistent with the Participation Percentages described in Section 10. Notwithstanding the foregoing, the failure of the Board of Directors to approve a budget shall not excuse payment of any Activity Participant to the Authority of amounts necessary for the Authority to pay debt service on Debt Obligations described in Section 7.3 and shall not affect the obligation of the Authority to apply such amounts to the payment of such debt obligations.

7.1. Invoicing.

a. The Authority shall invoice each of the Activity Participants for all Activity Agreement Expenses on the same schedule as it utilizes for collecting membership dues to implement the Authority budget for each March 1 through February 28/29 fiscal year, generally twice yearly in mid-March and August of each year. Payments are due thirty (30) days following the receipt of the Authority's invoice.

b. The Authority shall promptly invoice each of the Activity Participants for any additional expenses (e.g. under the Management and Cost Share Agreement), with payments due thirty (30) days following the receipt of the Authority's invoice.

7.2. Budget to Actual Adjustments. The Authority shall true up all amounts collected from the Activity Participants, grant funding, or other sources to actual expenditures annually following the end of each fiscal year. Any over-payments between budgeted and actual expenditures, taking into account any year-end carryover reserve (fund balance), shall be credited or refunded to each Activity Participant based upon its Participation Percentage. Each Activity

Participant shall be billed for any under-payment following the true-up, with payment due thirty (30) days after the invoice is received.

7.3. Funding of Any Future Debt Obligations.

a. To the extent the Authority incurs debt obligations to meet its financial obligations under the Management and Cost Share Agreement, the Activity Participants will pay to the Authority their respective shares of costs incurred by the Authority via (1) direct payment (cash) in accordance with any adopted repayment schedule, or (2) payment of debt service consistent with any adopted repayment schedule.

b. Alternatively, if the Activity Participants utilize a financing mechanism or entity other than that described in section 7.3.a above, such as through a financing joint powers authority, it is understood that the Activity Participants will work with the Authority on an arrangement to ensure that their allocated costs get paid in a timely manner to the United States.

8. ACCOUNTABILITY, REPORTS, AND AUDITS

8.1. Full books and accounts for this Activity Agreement shall be maintained by the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for public entities. The books and records shall be open to inspection by the Activity Participants at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.

8.2. There shall be strict accountability of all funds deposited on behalf of the Activity Agreement with the Authority. The Treasurer of the Authority, directly or acting through its Accounting Department, shall provide regular reports of Activity Agreement accounts. Funds of the Activity Agreement shall be subject to audit by the official auditor of the Authority. An Activity Participant may request an independent audit of the Activity Agreement funds; such audit shall be conducted at the expense of the requesting Activity Participant.

9. ACTIVITY AGREEMENT EXPENSES AND ALLOCATION OF OPERATING COSTS

9.1. The Authority and the Activity Participants agree that all Activity Agreement Expenses incurred by the Authority under this Activity Agreement are the costs of the Activity Participants, and not of the Authority, and shall be paid by the Activity Participants. Activity Participants shall be primarily responsible for determining, among themselves, a fair and equitable

apportionment of Activity Agreement Expenses at all stages of the Project and throughout the term of this Activity Agreement; provided however that any apportionment determined in connection with the incurrence of debt obligations may not be altered without the consent of each affected Activity Participant and the trustee with respect to such debt obligations.

9.2. The Activity Participants further agree that the Board of Directors is authorized to allocate a share of Authority Operating Costs, which includes a portion of costs addressed by the Administration Agreements, as part of the Activity Agreement Expenses to cover the cost to the Authority of administering this Activity Agreement.

10. PARTICIPATION PERCENTAGES

10.1. Participation Percentages. Each Activity Participant agrees to reimburse the Authority for that participant's share of the actual costs due by the Authority under the Management and Cost Share Agreement and Follow-On Agreements, plus that member's share of any Activity Agreement Expenses (e.g. project management costs, Authority staff time costs, etc.). In return, each Activity Participant receives benefits from the Management and Cost Share Agreement coordinated through the Authority, including a share of the storage benefits or storage rights, proportionate to that Activity Participant's share of costs. The Activity Participant's share of costs and benefits are based upon its Participation Percentage, which is documented in Exhibit "B" to this Activity Agreement.

10.2. Changing Participation Percentages. The Participation Percentages will be reviewed and may be revised in each of the following circumstances:

- a. Execution of the Management and Cost Share Agreement;
- b. Addition of Activity Participant(s); and
- c. Withdrawal or Removal of Activity Participant(s). Revision of the

Participation Percentages related to the withdrawal or removal of one or more Activity Participants is addressed in Section 14 of this Activity Agreement.

In addition to the circumstances listed above, the Participation Percentages may be revised at other times if the Activity Participants unanimously agree to such revision.

10.3. Ongoing Documentation of Participation Percentages. The initial Participation Percentages of each Activity Participant shall be attached as Exhibit "B" to this Activity Agreement, effective upon the date approved by all Parties. Any further amendments to Exhibit

“B” may be made using the procedure included in this Section 10 without any further separate amendment of this Activity Agreement being required.

11. WATER COORDINATOR

11.1 The Water Coordinator shall be selected by the Activity Participants.

11.2 The Water Coordinator will manage and account for water in the Authority-Managed Share of the Expanded Reservoir consistent with the provisions outlined below and in the Management and Cost Share Agreement and Follow-On Agreements and any internal operating principles that may be adopted by the Activity Participants, which would be appended to this Activity Agreement as an exhibit.

11.3 Each Activity Participant shall provide direction to the Water Coordinator regarding the delivery of water to and from its respective share of storage in the Authority-Managed Share of the Expanded Reservoir. It is the role of the Water Coordinator to communicate with each Activity Participant and Reclamation regarding the movement of water into and out of each Activity Participant’s reserved share of space.

11.4 The Water Coordinator shall promptly communicate as necessary each Activity Participant’s conveyance or delivery requests with Reclamation and/or the California Department of Water Resources.

11.5 The Water Coordinator shall have no authority to direct water into or out of any individual Activity Participant’s share of storage absent the consent of that Participant.

11.6 When Reclamation directs surplus CVP water, or “Article 3(f) water,” into the Authority-Managed Share of the Expanded Reservoir, that Article 3(f) water will be allocated to each Activity Participant by the Water Coordinator in accordance with each Activity Agreement Member’s Participation Percentage. If the storage capacity of any Activity Agreement Member fills completely, any additional Article 3(f) water will be allocated among the remaining Activity Participants in proportion to the Participation Percentages of those Activity Agreement Members with remaining unfilled storage capacity.

12. SOURCE OF PAYMENTS

12.1 Each Activity Participant agrees that it will timely take actions necessary to provide sufficient money to meet its obligations hereunder. Each Activity Participant hereby confirms that the Authority and other Activity Participants are third party beneficiaries of such Activity

Participant's obligations under this Agreement and may take such actions in law or in equity as may be desirable to enforce payments hereunder.

12.2. The obligation of each Activity Participant to make payments under this Agreement is absolute, irrevocable, and unconditional irrespective of whether the Project is completed, operable, operated, or retired. Such payments are not subject to reduction, whether offset or otherwise, and are not conditioned upon performance by the Authority under this Agreement or any Activity Participant.

13. INDEMNIFICATION OF AUTHORITY MEMBERS WHO DO NOT PARTICIPATE IN THIS ACTIVITY AGREEMENT

The Activity Participants shall hold the Authority and each of its members who are not Activity Participants, free and harmless from and indemnify each of them against any and all costs, losses, damages, claims, and liabilities arising actions or inactions taken under this Activity Agreement or the MOUs. This indemnification obligation includes the obligation of the Activity Participants to defend the Authority, and all members of the Authority that are not participants in this Activity Agreement, at the sole expense of the Activity Participants, in any action or proceeding brought against the Authority or any of its members not participating in this Activity Agreement, to recover any such costs, losses, damages, claims, or liabilities arising from this Activity Agreement, as well as the obligation to pay for any and all costs of litigation incurred by the Authority as a result of entering into this Activity Agreement. Such costs may include, but are not limited to, attorneys' fees and costs incurred by the Authority to defend its provision of services under this Activity Agreement.

14. TERM

This Activity Agreement shall take effect following execution by all seven (7) of the Activity Agreement Members, unless one or more of the seven Activity Agreement Members have withdrawn, in which case this Activity Agreement shall take effect following execution of the remaining Activity Agreement Members. The Activity Agreement shall remain in full force and effect until it is rescinded or terminated by the Authority and the Activity Agreement Members, with approval by the Non-Member Participating Parties, if any, or pursuant to Section 6.1(c); provided however, that if debt obligations have been issued pursuant to Section 7.3.a, this Activity

Agreement shall not terminate until such debt obligations have been paid or deemed paid in accordance with their terms.

15. WITHDRAWAL

15.1 If Management and Cost Share Agreement is Not Executed. If the Authority does not execute, or withdraws from, the Management and Cost Share Agreement, and Reclamation returns to the Authority any money paid, the Authority shall use its best efforts to ensure that money is refunded proportionately to the Activity Participant that initially contributed it.

15.2 After Execution of Management and Cost Share Agreement But Prior to Issuance of Project Financing: After execution of the Management and Cost Share Agreement but prior to issuance of Project financing, an Activity Participant may withdraw from this Agreement by providing written notice to the Authority and all other Activity Participants. All Activity Participants shall have the opportunity to, if desired, assume a share of the withdrawing Activity Participant's interest in proportion to their existing Participation Percentage. If the remaining Activity Participants do not assume all of the withdrawing Participant's interest, then it shall be offered to Reclamation to allow it the opportunity to, if desired, assume some or all of the withdrawing Activity Participant's interest. The withdrawal shall be effective thirty (30) days after sending the written notice. A withdrawing Activity Participant shall be responsible for its share of the costs incurred through the effective date of its withdrawal and shall not be entitled to a return of any money paid pursuant to Section 10. The withdrawing Activity Participant shall have no obligation to pay any future share of the Authority's cost under the Management and Cost Share Agreement or any additional Activity Agreement Expenses.

15.3 Withdrawal After Issuance of Project Financing: After financing by the Activity Participants occurs, an Activity Participant may withdraw only if:

a. It provides written notice to the Authority and all other Activity Participants, and all Activity Participants are provided the opportunity to, if desired, assume a share of the withdrawing Activity Participant's interest in proportion to their existing Participation Percentage. If the remaining Activity Participants do not assume all of the withdrawing Participant's interest, then it shall be offered to Reclamation to allow it the opportunity to, if desired, assume some or all of the withdrawing Activity Participant's interest; and

b. 1. One or more of the other Activity Participants or Reclamation have agreed to assume all of the withdrawing Activity Participant's Project and finance obligations. First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement

However, if the Activity Participant(s) assuming those obligations fail(s) to make any required debt service payments or capital costs, the withdrawing Activity Participant shall remain obligated for any such shortfall in payment for as long as the bonds remain outstanding or until construction of the Project has been completed. Notwithstanding any withdrawal permitted under this subdivision b., an Activity Participant or its successor shall remain obligated under this Agreement to make any payments with respect to any specific component of the Project to which that Activity Participant previously committed, either as self-funded or under any bonds; or

2. It is unanimously approved by all of the other (non-withdrawing) Activity Participants, who must find and determine in connection with such approval that there would be no adverse and material effect. For purposes of this Section 15.3, “adverse and material effect” means any effect that would result in a downgrade or suspension on the rating of the bonds or cause an expected shortfall in future project finance payments or cause delays or increased costs with respect to design and/or construction of the Project.

15.4. Rights Following Withdrawal: As of the withdrawal date, all rights of participation in this Activity Agreement shall cease for the withdrawing Activity Participant. However, if a withdrawn Activity Participant is obligated for any shortfall in payment pursuant to section 15, that withdrawn Activity Participant will be entitled to all corresponding rights of participation for the period of time during which it is responsible for such obligations.

15.5. Obligations Following Withdrawal: Withdrawal shall not excuse the withdrawing Activity Participant’s performance of obligations imposed upon that party by any judgment which has been entered by a court of competent jurisdiction or regulation to which the Authority or the Activity Participants are subject and that arise from or are related to activities of the Activity Agreement conducted during the period when the withdrawing Activity Participant participated in this Activity Agreement. Furthermore, the indemnification obligations set forth in Section 13 of this Activity Agreement shall survive an Activity Participant’s withdrawal from this Activity Agreement for activities under this Activity Agreement conducted during the period when the withdrawing Activity Participant participated in this Agreement.

15.6 Removal of Delinquent Activity Participant: When an Activity Participant fails or refuses to pay that Activity Participant’s share of Activity Agreement Expenses for a period of time longer than three (3) months, after written notice from the Authority without entering into an agreement with the Authority to cure any financial default or to meet any other obligation required

for its active participation in the Activity Agreement, the remaining Activity Participants, voting as set forth in Section 6.1.b.6 above, will determine whether or not such Activity Participant shall be removed from the Activity Agreement and if so determined, shall request that the Board of Directors approve removal of that Activity Participant from the Activity Agreement.

a. Following removal of an Activity Participant, the remaining Activity Participants agree that each of them will be allocated a proportionate share of the removed Activity Participant's Activity Agreement Expenses and associated interests in the Project. Any Activity Participant may be relieved of its obligation to assume the additional proportionate share created by the removal of an Activity Participant if (1) the remaining Activity Participants agree to proportionately assume the removed Activity Participant's share of obligations and benefits, or (2) one or more Activity Participant(s) are willing to assume the additional proportionate share from another Activity Participant.

b. Such vote shall not preclude reinstatement of the removed agency by agreement of the Activity Participants and the Authority.

16. RIGHT TO PARTNER WITH NON-ACTIVITY PARTICIPANTS

16.1 Activity Participants shall have the right to partner with other Activity Participants or any non-Activity Participant party (person or entity) regarding the sale, transfer, assignment, or leasing of that Participant's share of capacity within the Authority-Managed Share of Expanded Reservoir as provided herein.

16.2 Lease of Storage Capacity: Each Activity Participant may negotiate in its discretion the commercial terms of a lease of its storage capacity interest ("Negotiated Terms") provided that:

a. The Negotiated Terms do not negatively impact other Activity Participants' rights to store or convey water in accordance with the Management and Cost Share Agreement and this Activity Agreement, or the rights of Activity Participants to store or convey water in accordance with their state or federal contracts (as applicable);

b. Such lease is consistent with the Reclamation's water rights, governmental approvals, and applicable law; and

c. No agreement for a lease of an Activity Participant's storage capacity shall be for a term of longer than fifteen (15) years, nor shall it provide for any renewal of a term in a manner that would result in a lease having an effective term in excess of fifteen (15) years; provided further that if an agreement for a lease of a Activity Participant's storage capacity is for First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement

a term of longer than fifteen (15) years, such agreement shall be subject to the same terms and conditions of this Section 16.3.d-e as are applicable to the sale, transfer, or assignment of storage capacity.

d. A lease of storage capacity shall not impact or limit the leasing Activity Participant's rights or obligations to the Authority under this Activity Agreement and each Participant shall remain fully responsible for all of its obligations to the Authority under this Agreement. Such lease does not require the non-Activity Participant to become a Non-Member Participating Party under this Activity Agreement.

16.3 Sale, Transfer, or Assignment of Storage Capacity: Each Activity Participant may negotiate in its discretion the commercial terms of a sale, transfer, or assignment of its storage capacity interest ("Negotiated Terms") provided that:

a. Such sale, transfer or assignment is consistent with the Reclamation's water rights, governmental approvals and applicable law;

b. No sale, transfer or assignment of a Participant's storage capacity can cause or be construed to cause a reduction in any Project Obligation bond credit rating or put the tax exempt borrowing status of the financing entity or entities in violation of the Internal Revenue Code of 1986, as amended, as reasonably determined by the Authority;

c. Prior to any proposed sale, transfer, or assignment of storage capacity, the Activity Participant must first provide written notice of such its intent to all other non-selling Activity Participants, including a term sheet with all material terms of any proposed sale, transfer or assignment (the "Offer Notice"). The Activity Participants shall have a right of match or first refusal with respect to the sale, transfer, or assignment of such storage capacity on the terms provided in the Offer Notice. If more than one Activity Participant desires to purchase the selling Participant's share on the terms offered, those interested purchasing Activity Participants shall each receive a pro rata share of the selling Participant's interest in proportion to their existing Participation Percentage. No Activity Participant may sell, transfer, or assign any portion of its storage capacity to anyone other than an Activity Participant without first providing all non-selling Activity Participants forty-five (45) days to agree to or match the material terms of the Offer Notice, including any subsequently proposed revised offer to sell, transfer or assign storage capacity to a Non-Participant;

d. The proposed sale, transfer or assignment of storage capacity to a non-Participant must be approved by Activity Participants and the Authority, such approval not to be unreasonably withheld or delayed by Activity Participants or the Authority;

e. A sale, transfer or assignment of storage capacity shall not impact or limit the selling Activity Participant's rights, duties, or obligations to the Authority under this Activity Agreement unless and until the Authority agrees to release all future obligations of the selling Activity Participant, which shall be documented in writing.

17. ASSIGNMENT OF AUTHORITY'S INTERESTS

The Authority agrees to, upon the approval of Activity Participants, pledge and assign any and all of its rights, interests, duties, or obligations in the Management and Cost Share Agreement and Activity Agreement to a new entity or entities comprised of the Activity Participants. It is intended that the governance of any such new entity or entities would retain the essential voting structure among Activity Participants as set forth in this Activity Agreement.

18. ADMISSION OF NEW MEMBERS

18.1. Authority Members. Admission of new Activity Agreement Members after the Effective Date of this First Amendment shall require amendment of the Activity Agreement and approval by the Board of Directors and the Activity Agreement Members. Such approval of new Members will include terms, if necessary, to ensure the Activity Participants do not bear undue financial obligations, e.g., payment of a proportionate share of the costs previously paid and opportunity costs by Activity Participants under the Activity Agreement.

18.2. Non-Authority Members. A local agency, city, county, or mutual water company that is not a member of the Authority may become a Non-Member Participating Party (and Activity Participant) at any time following the Effective Date, if the existing Activity Agreement Members unanimously approve the admission of the Non-Member Participating Party. Such admission will occur through execution of a MOU and action by the Board of Directors. Such MOU, as appropriate, will include terms, if necessary, to ensure that existing Activity Participants do not bear undue financial obligations, e.g., payment of an equal share of the costs previously paid and opportunity costs by Activity Participants under this Activity Agreement.

18.3. Documentation. The admission of any Activity Participant pursuant to this section shall be documented by that new Activity Agreement Member signing the Activity Agreement or

that new Non-Member Participating Party entering into a MOU with the Authority, subject to the Activity Agreement. Upon admission of a new Activity Participant, the parties shall agree to the participation percentage of such new Activity Participant, to be documented in an updated Exhibit “B” to this Activity Agreement.

19. MISCELLANEOUS

19.1. California Environmental Quality Act. The physical, operational, and financial details of the Reservoir Expansion Project were analyzed by the Authority as lead agency pursuant to CEQA in the Final EIR/SEIS. The Authority and/or Activity Participants and other public agencies may be responsible agencies under CEQA for actions related to the Reservoir Expansion Project; however, the actions contemplated by this Activity Agreement have no potential for physical effects on the environment. Each potential improvement, project, and/or activity subject to this Activity Agreement or other related agreements, have been or will be fully evaluated in compliance with CEQA, as applicable. This Activity Agreement does not, and is not intended to, bind any party to a definite course of action or limit in any manner the discretion of the Authority and/or Activity Participants, or any other public agency, as applicable, in connection with consideration of agreements relating to the Reservoir Expansion Project, including without limitation, all required environmental review, all required public notice and proceedings, consideration of comments received, and the Authority’s and/or Activity Participants’ or other public agencies’ evaluation of mitigation measures and alternatives including the “no project” alternative.

19.2. Amendments. Subject to the terms of any debt obligations for the Project, this Agreement may be amended in writing by the Authority and the Activity Agreement Members, with required approval from the Non-Member Participating Parties, if any.

19.3. Assignment; Binding on Successors. Except as provided in this Activity Agreement, the rights and duties of Activity Participants may not be assigned without the written consent or approval of all Activity Participants. Any attempt by Activity Participants to assign or delegate such rights or duties in contravention of this Activity Agreement shall be null and void. Any approved assignment shall be consistent with the terms of any contracts, resolutions, indemnities, and other obligations of the Authority then in effect. This Activity Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Authority and the Activity Participants. The Activity Participants acknowledge that the Authority may assign all or First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement

a portion of its rights and obligations under this Activity Agreement to a financing entity, as described in Section 7.3(b).

19.4. Existing Contracts. Nothing in this Activity Agreement, in any way, alters, changes, or amends existing water service/repayment contracts with the United States, or supersedes, negates, or changes or is intended to change any past course of dealings, past practices, or precedent.

19.5. Counterparts. This Activity Agreement may be executed by the Authority and the Activity Agreement Members in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

19.6. Choice of Law. This Activity Agreement shall be governed by the laws of the State of California.


19.7. Severability. If one or more clauses, sentences, paragraphs or provisions of this Activity Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Activity Agreement Members and the Authority that the remainder of the Activity Agreement shall not be affected thereby.

19.8. Headings. The titles of sections of this Activity Agreement are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Activity Agreement shall be drawn therefrom.

19.9. Reasonable Cooperation. Activity Participants will reasonably cooperate with each other and the Authority to perform the obligations under this Activity Agreement and to carry out the purpose and intent of this Activity Agreement.

IN WITNESS WHEREOF, the Members and the Authority have executed this Activity Agreement as of the date appearing next to their respective signature lines:

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: 
Name: FEDERICO BARAJAS
Title: EXECUTIVE DIRECTOR
Date: 1/10/2025

ACTIVITY AGREEMENT MEMBERS

Agency Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

**B.F. SISK DAM RAISE AND RESERVOIR EXPANSION PROJECT ACTIVITY
AGREEMENT MEMBERS AND NON-MEMBER PARTICIPATING PARTIES**

Agency Name	Participation Status (AA Member or Non-Member Participating Party)
Byron Bethany Irrigation District	AA Member
City of Tracy	AA Member
Del Puerto Water District	AA Member
San Benito County Water District	AA Member
San Luis Water District	AA Member
Valley Water	AA Member
Westlands Water District	AA Member

EXHIBIT B
ALLOCATION OF EXPENSES AMONG ACTIVITY PARTICIPANTS

Activity Participants	Allocation (%)	Share of Investor Capacity (assuming 70% share of 130,000 af)
Byron Bethany Irrigation District	1.11%	1,007 AF
City of Tracy	5.53%	5,033 AF
Del Puerto Water District	4.04%	3,674 AF
San Benito County Water District	5.53%	5,033 AF
San Luis Water District	4.97%	4,527 AF
Valley Water	66.37%	60,398 AF
Westlands Water District	12.45%	11,328 AF
	100%	91,000 AF

RESOLUTION NO. 2025-02

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF SAN BENITO COUNTY WATER DISTRICT
AUTHORIZING THE BOARD PRESIDENT TO EXECUTE THE FIRST
AMENDED AND RESTATED B.F. SISK DAM RAISE AND RESERVOIR
EXPANSION PROJECT ACTIVITY AGREEMENT AND
APPROVE THE AGREEMENT BETWEEN THE UNITED STATES AND
THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FOR THE MANAGEMENT OF THE EXPANDED SAN LUIS RESERVOIR AND
COST SHARE OF CHARGES ASSOCIATED WITH RAISING OF
THE B.F. SISK DAM AND INCREASED STORAGE CAPACITY
OF THE FEDERALLY ADMINISTERED SAN LUIS RESERVOIR**

WHEREAS, the B.F. Sisk Dam Raise and Reservoir Expansion Project (“Reservoir Expansion Project” or “Project”) includes raising the dam crest an additional 10 feet above the 12-foot embankment raise under development by the B.F. Sisk Dam Safety of Dams (“SOD”) Modification Project, which would support an increase in reservoir storage capacity of 130,000 acre-feet, and would also include installation of downstream stability berms and crack filters, raising the existing outlet works, intake towers, access bridge, and spillway intake by 10 feet, and other modifications, including to State Route 152; and

WHEREAS, the potential benefits from the Reservoir Expansion Project include increasing long-term reliability and quantity of yearly allocations to south-of-Delta contractors dependent on San Luis Reservoir and increasing the certainty of access to supplies stored by south-of-Delta contractors in San Luis Reservoir in subsequent water years; and

WHEREAS, the San Luis & Delta-Mendota Water Authority (“Water Authority”) has worked with the U.S. Bureau of Reclamation (“Reclamation”) to analyze the proposed Reservoir Expansion Project over the past several years, including through the preparation of the draft B.F. Sisk Dam Raise and Reservoir Expansion Project Environmental Impact Report/Supplemental Environmental Impact Statement (“EIR/SEIS”), Feasibility Report, and Addendum to the Feasibility Report; and

WHEREAS, the Water Authority authorized execution of a series of cost-share agreements with Reclamation to collaborate on the planning, preliminary design, and environmental compliance for the Reservoir Expansion Project, and to seek potential storage benefits of the Project for Water Authority member agencies; and

WHEREAS, the Water Authority and Byron-Bethany Irrigation District, Del Puerto Water District, Eagle Field Water District, Pacheco Water District, Panoche Water District, San Benito County Water District, San Luis Water District, Santa Clara Valley Water District, Westlands Water District, and the City of Tracy (together, “Activity Agreement Members”) executed the B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement, made effective as of May 9, 2022, to facilitate the funding of planning, preliminary design, and environmental compliance for the Reservoir Expansion Project. Eagle Field Water District, Pacheco Water District, and Panoche Water District later withdrew from the Activity Agreement; and

WHEREAS, the San Benito County Water District (District) is an Activity Agreement Member and is considering participating in the Reservoir Expansion Project to provide reliable water supplies for future urban growth within San Benito County.

WHEREAS, in accordance with the National Environmental Policy Act (“NEPA”) and the California Environmental Quality Act (“CEQA”), Reclamation and the Water Authority completed the B.F. Sisk Dam Raise and Reservoir Expansion Project Final Environmental Impact Report/Supplemental Environmental Impact Statement (“Final EIR/SEIS”), with Reclamation and the Water Authority signing a Record of Decision and Notice of Determination for the Project, respectively, on October 20, 2023; and

WHEREAS, over the past year, the Water Authority and the Activity Agreement Members have worked to negotiate an agreement with the United States for the management of the Project and cost share of charges associated with the raising of the B.F. Sisk Dam and increased storage capacity of the federally administered San Luis Reservoir (“Management and Cost Share Agreement”), with Reclamation and the Water Authority agreeing to an initial 30% federal share and 70% Water Authority share of costs and benefits; and

WHEREAS, following execution of the Management and Cost Share Agreement, the Authority also intends to negotiate additional, related agreements, including, but not limited to, a Contributed Funds Agreement, Spend Plan, Coordination Agreement, and O&M Agreement (together, the “Follow-On Agreements”). Together with the Management and Cost Share Agreement, the Follow-On Agreements will govern the cost sharing, design, construction, coordination activities, and operation of the Project; and

WHEREAS, the Activity Agreement Members desire to participate in the benefits and incur the obligations associated with continued project management and the anticipated Management and Cost Share Agreement and Follow-On Agreements through an amended activity agreement; and

WHEREAS, the District's Board has considered the latest draft of the First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement (Attachment 1), a copy of which has been presented to the Board and is on file with the Secretary hereof; and

WHEREAS, authorizing execution of the First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement does not legally bind or otherwise commit the Water Authority or the Activity Agreement Members to participate in or otherwise proceed with the Reservoir Expansion Project, and further, executing the First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement is an administrative and organizational action that will not result in a direct change in the environment or a reasonably foreseeable indirect change to the environment, and thus does not constitute a project under CEQA. (CEQA Guidelines, § 15378(b)(5).)

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby authorizes the General Manager to execute the First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement in substantially the form presented to the Board, subject to such additions, deletions, and other revisions as the said General Manager shall approve prior to execution and further subject to the contingencies described in Section 3 of this Resolution.

Section 3. The authorization conferred by this Resolution, and the document executed in reliance upon it, shall be contingent upon the occurrence of the seven (7) remaining Activity Agreement Members executing the Amended Activity Agreement, unless one or more those Activity Agreement Members withdraw from the Activity Agreement.

Section 4. In the event the contingency described in Section 3 fails to occur, the authorization conferred by this Resolution for which the contingency is not satisfied is revoked *ab initio* as to the document not achieving the signatures as required by said Section 3, and any documents executed by the Water Authority in reliance upon it shall have no binding force or effect.

~~DRAFT—DRAFT---DRAFT—DRAFT---DRAFT---DRAFT---DRAFT---DRAFT~~

PASSED, APPROVED AND ADOPTED at a regular board meeting, this 29th day of January, 2025, by the Board of Directors of the San Benito County Water District.

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSTAIN: DIRECTORS:

ABSENT: DIRECTORS:

Signature of presiding Board member
Attested by Board Secretary
Resolution #2025-02

Doug Williams
President

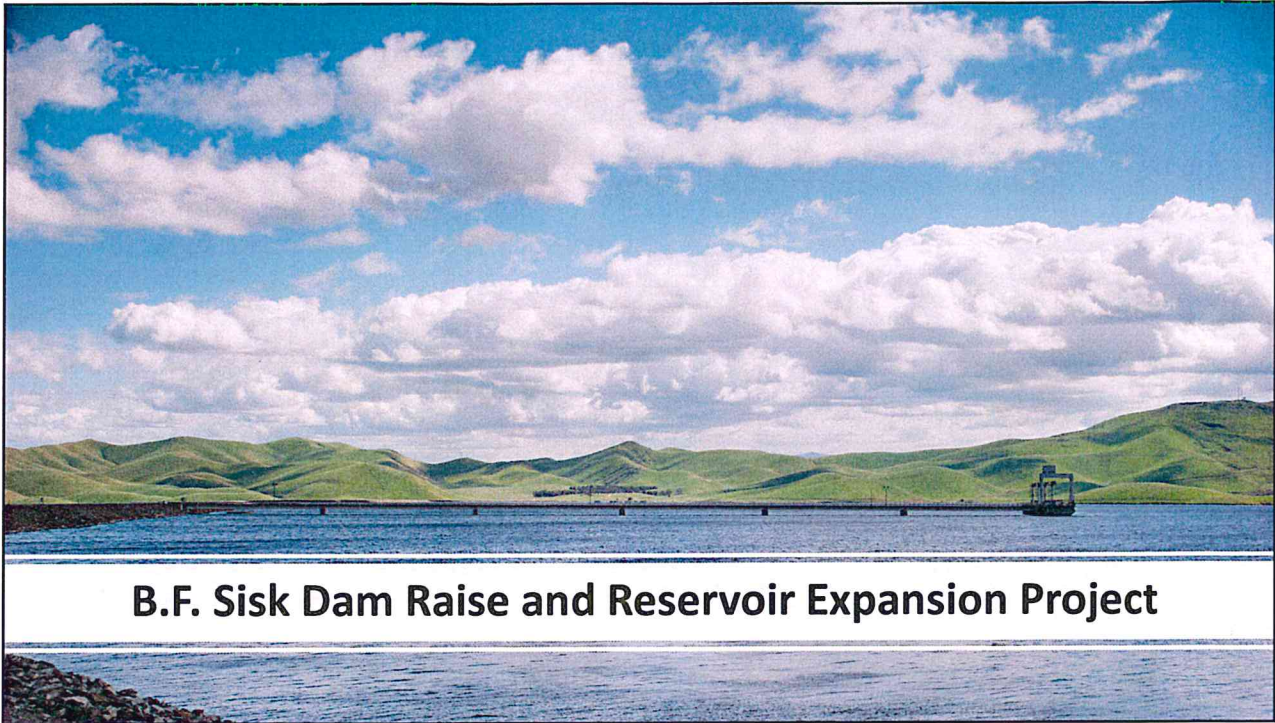
ATTEST:

Barbara L. Mauro
Board Secretary

DRAFT—DRAFT---DRAFT—DRAFT---DRAFT---DRAFT---DRAFT---DRAFT

I hereby certify that the foregoing Resolution No. 2025-02 was duly and regularly adopted by the Board of Directors of the San Benito County Water District at the meeting held on the 29th day of January, 2025.

Barbara L. Mauro
Board Secretary



B.F. Sisk Dam Raise and Reservoir Expansion Project

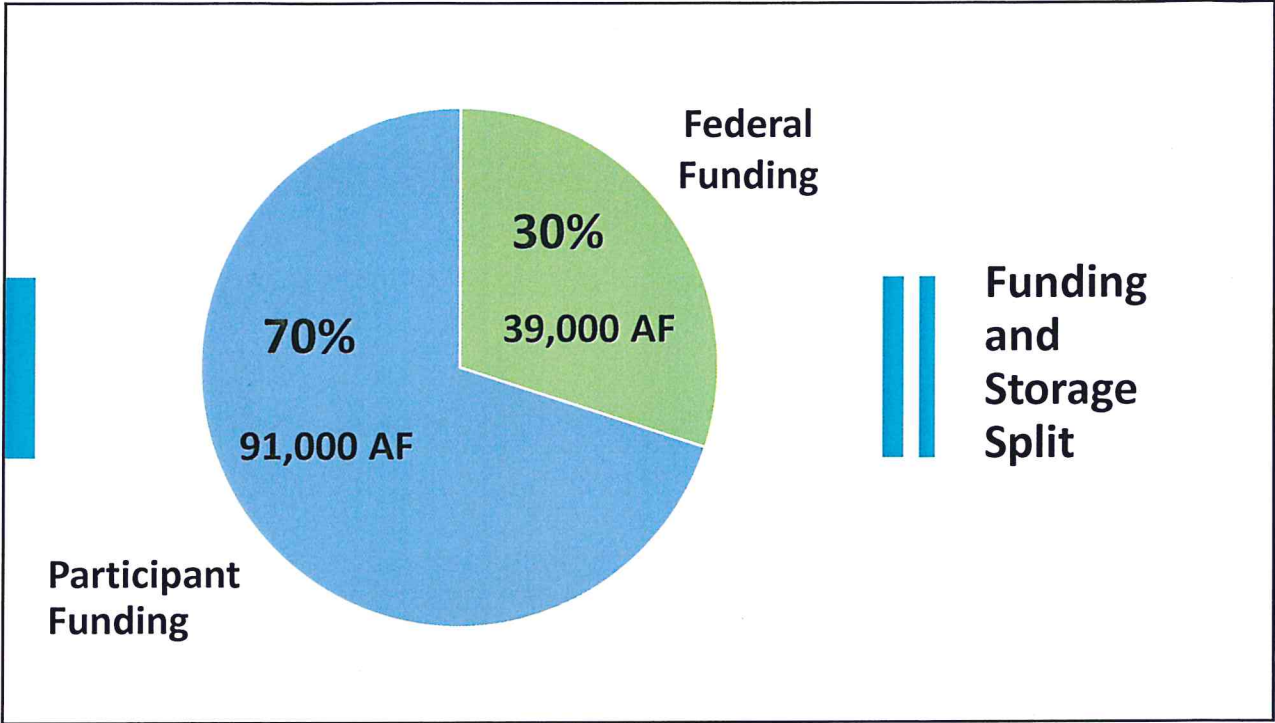
1

Dam Safety and Expansion Projects

Connected Action
Representation of
Project Specific Crest
Raises

HALLMARK GROUP Capital Program Management

2



3

<div>Project Capital Costs</div>	Capital Costs (\$2024)	
	Crest Raise	\$515,430,000
	Highway 152	\$507,000,000
	Total	\$1,022,430,000

4

District Participation

- The District is participating to address future urban growth in the County
- Costs will be recovered through a capacity fee charged on new development

5

Current Storage Allocation

Participating Agency	Storage Capacity (AF)	Participation Percentage
Santa Clara Valley Water District	60,398	66.4%
Westlands Water District	11,328	12.5%
City of Tracy	5,033	5.5%
San Benito County Water District	5,033	5.5%
San Luis Water District	4,527	5.0%
Del Puerto Water District	3,674	4.0%
Byron Bethany Water District	1,007	1.1%
Total	91,000	100%

6



Cost Share Agreement

- **Construction responsibilities**
 - Dam Raise: U.S. Bureau of Reclamation
 - State Route 152: SLDMWA or Caltrans
 - **Operations framework**
 - Reclamation retains ownership of San Luis Reservoir
 - Participants provided contractual storage rights
-

7



Cost Share Agreement

- **Participant benefits**
 - Additional south of the Delta storage
 - Ability to capture Delta surplus
 - Non-CVP water is highly protected
 - Option to lease or market capacity to offset costs
-

8



Cost Share Agreement

- **Participant risks**
 - CVP water could be taken in extreme drought years
 - Shared project subject to group governance
 - Very little opposition
-

9



Activity Agreement

- **Benefits allocated proportionate with investment**
 - **Voting thresholds vary by decision**
 - **Major actions subject to SLDMWA Board vote until terminated or assigned**
-

10

Additional Funding Request

Participating Agency	Participation Percentage	Required Funding
Santa Clara Valley Water District	66.4%	\$2,045,427
Westlands Water District	12.5%	\$550,889
City of Tracy	5.5%	\$170,453
San Benito County Water District	5.5%	\$170,453
San Luis Water District	5.0%	\$153,295
Del Puerto Water District	4.0%	\$124,431
Byron Bethany Water District	1.1%	\$34,091
Total	100%	\$3,249,038

11

Project Schedule and Board Decisions

- January 2025: Project agreements and funding - \$3.3M
- Early 2026: Additional design funding - \$20M
- Early 2027: Create financing joint powers authority
- Early 2027: Secure financing \$716M
- 2027-2032: Construction

12



Recommendation

- A. Consider Approving Cost Share Agreement**
 - B. Consider Approving Activity Agreement and funding of up to \$200,000**
-

**San Benito County Water District
Agenda Transmittal**

Agenda Item:

9

Meeting Date: January 29, 2025

Submitted By: Dana Jacobson

Presented By: Dana Jacobson

Agenda Title: Consider Authorizing the Board President to Execute the Agreement between the San Benito County Water District and Sunnyslope Water District for the Export of Water from Zones 3 & 6

Detailed Description: The purpose of the Agreement between the San Benito County Water District and Sunnyslope Water District for the Export of Water from Zones 3 & 6 (Export Agreement) is to create a mechanism to compensate the District for securing additional spot market water supplies to meet demands outside of the District's Zone 3 and 6 areas of benefit. The Sunnyslope County Water District (Sunnyslope) is in the process of annexing certain customers located within the service areas of the Best Road Mutual Water Company, Stonegate Community Service Area #31, and Tres Pinos Water District. Much of the cost of extending water service will be paid for by grants from the Department of Water Resources, which is supporting this annexation, so that water quality can be improved in these areas.

The only water source Sunnyslope has available to meet these new water demands is from groundwater originating in Zone 3 and Zone 6. The District is willing to assist Sunnyslope in meeting these demands but needs to ensure an equitable solution for its other customers and avoid any financial impact to existing customers within the Districts Zone 3 and Zone 6. The District must also avoid the delivery of any Central Valley Project (CVP) water outside of Zone 6 to remain in good standing under its CVP contract, which prohibits the delivery of CVP water outside of the CVP place of use as defined by the State Board.

Under the terms of the Agreement, Sunnyslope will compensate the District on a 1:1 basis for any water delivered outside either Zone 3 and/or Zone 6 using a rolling five-year average cost of spot market purchases.

Prior Committee or Board Action: None

Financial Impact: X Yes No

Funding Source/ Recap: N/A

Materials included:

Export Agreement

Recommendation: District staff recommends authorizing the Board President to execute the Agreement between the San Benito County Water District and Sunnyslope Water District for the Export of Water from Zones 3 & 6.

Action Required: ____ Resolution X Motion _____ Review

Board Action

Resolution No. _____ Motion By _____ Second By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

AGREEMENT BETWEEN
SAN BENITO COUNTY WATER DISTRICT
AND SUNNYSLOPE COUNTY WATER DISTRICT
FOR THE EXPORT OF WATER FROM
ZONES 3 & 6

WHEREAS, California State Department of Water Resources (DWR) and State Division of Drinking Water (DDW) have coordinated with Sunnyslope County Water District (SSCWD) to implement two individual projects for the benefit of consolidating and dissolving three rural local community water systems for the health, safety and welfare of the public; and

WHEREAS, Sunnyslope County Water District will remain as the receiving water system to provide potable water to the existing service areas of the Best Road Mutual Water Company (BRMWC), the Community Service Area (CSA) #31 Stonegate Water System; and the Tres Pinos Water District (TPWD); and

WHEREAS, Two of the proposed systems serve water connections outside of San Benito County Water District's Zones of Benefit 3 and 6; and

WHEREAS, Zones of benefit 3 and 6 were formed for the exclusive benefit of lands within those zones; and

WHEREAS, All three systems intend to abandon their current potable groundwater water wells in favor of receiving potable water through the SSCWD; and

WHEREAS, Groundwater delivered to the newly combined systems by SSCWD will have originated in Zones 3 and 6; and

WHEREAS Groundwater produced for the benefit of zones 3 and 6 is not allowed to leave those zones unless otherwise replaced or compensated for; and

WHEREAS San Benito County Water District seeks to find an equitable remedy to the export of Zones 3 and 6 water through the purchase of spot market water to replace water exported outside of Zones 3 and 6.

THEREFORE, The SBCWD sets forth the following terms as an equitable remedy, by which SSCWD is permitted to export water to those properties outside of Zones 3 and 6.

SSCWD shall comply with the terms of this agreement until some future time when SBCWD deems it appropriate for Zones 3 and 6 to be modified to include all properties served by this agreement.

SBCWD may take all legal remedies necessary to collect monies due to the district if timely payment is not made.

TERMS

1. All water delivered outside of Zones 3 and 6 shall be metered and replaced on a 1:1 basis with imported spot market water delivered through the Central Valley Project (CVP).
2. SSCWD will inform SBCWD of all customers served outside of Zones 3 and 6.
3. By June 1 of each year SBCWD shall inform SSCWD of the 5-year rate for spot market transfer water for the upcoming calendar year.
4. Annually by January 31, SSCWD shall transmit to the SBCWD by individual customer account all water delivered in the previous calendar year.
5. By March 1 of each year, SBCWD shall invoice SSCWD for the total ac-ft of water delivered outside of Zones 3 and 6 in the previous year.
6. The cost of spot market water shall be based on a 5-year rolling average of Exchange Contractor transfer water.
7. Within 45 days of receipt of the invoice for water delivered outside of Zones 3 and 6, SSCWD shall submit payment to SBCWD for the water delivered in the previous calendar year.
8. **IN WITNESS WHEREOF**, this Lease is executed by the parties as of the Lease Date referenced on page 1 of this Lease.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, this Agreement is executed by the parties as of the date of last signature referenced below.

Sunnyslope County Water District

By: _____
Print Name: Michael Alcorn
Title: President of the Board
Date: January 14, 2025

San Benito County Water District

By: _____
Print Name: Doug Williams
Title: President of the Board
Date: _____



Agenda

Item

10



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

1/8/2025

Megan Holland
Manager of Administration Finance & Business Services
San Benito County Water District, California

Dear Megan:

Congratulations!

We are pleased to notify you that your annual comprehensive financial report for the fiscal year ended June 30, 2023 has met the requirements to be awarded GFOA's Certificate of Achievement for Excellence in Financial Reporting. The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (Certificate Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. Congratulations, again, for having satisfied the high standards of the program.

Your electronic award packet contains the following:

- **A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements.** We strongly encourage you to implement the recommended improvements in your next report. Certificate of Achievement Program policy requires that written responses to these comments and suggestions for improvement be included with your 2024 fiscal year end submission. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.
- **Certificate of Achievement.** A Certificate of Achievement is valid for a period of one year. A current holder of a Certificate of Achievement may reproduce the Certificate in its immediately subsequent annual comprehensive financial report. Please refer to the instructions for reproducing your Certificate in your next report.
- **Award of Financial Reporting Achievement.** When GFOA awards a government the Certificate of Achievement for Excellence in Financial Reporting, we also present an Award of Financial Reporting Achievement (AFRA) to the department identified in the application as primarily responsible for achievement of the Certificate.
- **Sample press release.** Attaining this award is a significant accomplishment. Attached is a sample news release that you may use to give appropriate publicity to this notable achievement.

In addition, award recipients will receive via mail either a plaque (if first-time recipients or if the government has received the Certificate ten times since it received its last plaque) or a brass medallion to affix to the plaque (if the government currently has a plaque with space to affix the medallion). Plaques and medallions will be mailed separately.

As an award-winning government, we would like to invite one or more appropriate members of the team that put together your annual comprehensive financial report to apply to join the Special Review Committee. As members of the Special Review Committee, peer reviewers get exposure to a variety of reports from around the country; gain insight into how to improve their own reports; achieve professional recognition; and provide valuable input that helps other local governments improve their reports. Please see our website for [eligibility requirements](#) and [information on completing an application](#).

Thank you for participating in and supporting the Certificate of Achievement Program. If we may be of any further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink, reading "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine
Director, Technical Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**San Benito County Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO