



## BUDGET & FINANCE COMMITTEE MINUTES MARCH 13, 2024

Wednesday, March 13, 2024, 2:00 p.m., SLVWD Conference Room, 12788 Highway 9, Boulder Creek, and via video/teleconference.

### MINUTES

1. **Convene Meeting:** 2:00 p.m.  
**Roll Call**

Committee Members - Present

Gail Mahood, chair

Jeff Hill

Jim Bahn

Skye Herrick

Staff - Present

Brian Frus, General Manager

Heather Ippoliti\*, Interim Director of Finance and Business Services

Scott Mattoch, Network Specialist

Holly Hossack, District Secretary

\*attended virtually

2. **Oral Communications:**

B. Holloway, Boulder Creek, addressed the Committee.

3. **New Business:**

- a. WHOLESALE INTERTIE RATES

B. Frus introduced and explained this item.

Discussion by the Committee regarding:

- For emergency interties only
- Property taxes paid to the District
- Based on residential rates
- Not regulated by Prop 218 process
- How much difference will this make to the District?

- Will it affect amount charged to SVWD?
- Big Basin agreement
- Emergency intertie definition
- Calculated fixed costs plus taxes received
- Volumetric compared to commercial rate

B. Holloway addressed the Committee.

A motion was made and seconded for the Committee to recommend to the Board adoption of the proposed Wholesale Intertie Rates.

The motion passed unanimously.

- b. MID-YEAR FISCAL REPORT 2023-24  
H. Ippoliti introduced and explained this item.

Discussion by the Committee regarding:

- Arbitrage-yield restricted account calculation
- Penalty is the arbitrage tax
- Santa Cruz County vs. T-bills - liquidity
- Fish Ladder was the largest expense
- Unrestricted and restricted bond proceeds
- FEMA funding
- Fire surcharge automatically stops @ \$5 million
- Best practices to spend down the oldest first

A motion was made and seconded to direct staff to transfer the debt proceeds to a yield restricted investment once they become available without penalty and to fully spend down the 2020 Revenue Certificates for Participation Bonds prior to using the 2021 Installment Loan funds on the currently budgeted debt funded projects.

B. Holloway, Boulder Creek, addressed the Committee.

The motion passed unanimously.

The Committee took a 4-minute break 3:29 - 3:33 p.m.

4. **Unfinished Business:**

- a. FINANCE DIRECTOR RECRUITMENT UPDATE  
B. Frus introduced and explained this item.
- b. COMPENSATION STUDY UPDATE  
B. Frus introduced and explained this item.

5. Adjournment: 3:41 p.m.