RESOLUTION NO. 2026-21

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT APPROVING RETIRED ANNUITANT EMPLOYMENT AGREEMENT WITH JEFFREY CATTANEO

WHEREAS, Government Code sections 21224 and 7522.56 permit limited-duration extra-help employment requiring specialized skills, subject to applicable eligibility, compensation, and hour limits; and

WHEREAS, the San Benito County Water District ("District") requires Jeffrey Cattaneo's combined executive management experience, professional engineering qualifications, and institutional knowledge for the specific projects and transition services in Exhibit A, in one integrated assignment reporting directly to the current General Manager; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year (July 1 through June 30) for all CalPERS employers combined, including hours worked under any prior or concurrent appointment; and

WHEREAS, compensation must fall within the minimum and maximum base-salary limits for employees performing comparable duties under Government Code sections 21224 and 7522.56, using the applicable publicly available pay schedule and dividing monthly base salary by 173.333 to determine the hourly rate; and

WHEREAS, Cattaneo previously performed both General Manager and District Engineer responsibilities for the District, and this assignment combines executive project planning, financing, interagency negotiations, Board policy implementation, and mentoring with licensed engineering direction and technical responsibility; upon review of the assigned duties and applicable job descriptions, the Board finds the integrated work comparable in scope, complexity, and responsibility to duties compensated within the General Manager classification; and

WHEREAS, the General Manager salary range used for this comparison is $20,000 to $25,000 per month, equivalent to $115.38 to $144.23 per hour, under the District's publicly available salary schedule effective May 20, 2024, to be verified before adoption; and

WHEREAS, the Board finds the maximum rate of $144.23 per hour appropriate because Cattaneo combines experience in both District leadership functions with a California civil-engineer license needed for the assigned work. This combination provides the District with executive judgment informed by engineering expertise, professional responsibility for assigned engineering

work, continuity on existing projects, and mentoring for the current General Manager. The immediate need for licensed engineering services adds substantial value to the integrated assignment and supports selection of the maximum lawful rate within the comparable General Manager range; and

WHEREAS, Jeffrey Cattaneo will not receive in connection with this appointment any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to the hourly pay rate.

THEREFORE, BE IT RESOLVED that the District approves and incorporates the Retired Annuitant Employment Agreement attached as Exhibit A and appoints Jeffrey Cattaneo to the limited-duration extra-help assignment "Executive Management and Engineering" under Government Code sections 21224 and 7522.56, at $144.23 per hour for authorized services within its scope. Cattaneo shall report directly to the current General Manager. The term begins November 1, 2026, or the Agreement's effective date, whichever is later, and ends upon completion of the specified work, earlier termination, or October 31, 2027, whichever occurs first.

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

BE IT FURTHER RESOLVED that the President of the Board is authorized to sign said Retired Annuitant Employment Agreement on behalf of this Board and the District. The current General Manager shall administer the assignment, approve work and hours within its scope and budget, verify the compensation basis, and suspend work or terminate the Agreement as provided therein. Any amendment requires prior Board approval and compliance with law.

BE IT FURTHER RESOLVED that, before services begin, the General Manager, with District counsel, shall document eligibility, fiscal-year hours for all CalPERS employers, active civil-engineer licensure, and the actual duties and salary-schedule basis for this appointment. This Resolution authorizes a limited-duration project assignment and does not appoint Cattaneo to occupy the separate vacant District Engineer position. If the actual arrangement constitutes an interim vacancy appointment, work under that arrangement shall not begin without separate lawful authorization and compensation review under Government Code section 21221(h). The District shall maintain duty and time records and complete required CalPERS reporting.

The foregoing Resolution was passed and adopted at a regular meeting of the Board of Directors of the San Benito County Water District held on October 28, 2026, by the following vote:

AYES: DIRECTORS: Wright, Tonascia, Flores, Freeman & Williams

NOES: DIRECTORS: None

ABSENT: DIRECTORS: None

ABSTAIN: DIRECTORS: None

(Signature of presiding Board member
Attested by Board Secretary
Resolution #2026-21)

/s/Mark Wright
Mark Wright
President

ATTEST:

/s/Barbara L. Mauro
Barbara L. Mauro
Board Secretary

EXHIBIT A
RETIRED ANNUITANT EMPLOYMENT AGREEMENT

(Pursuant to California Government Code §§ 21224 and 7522.56)

This Employment Agreement ("AGREEMENT") is entered into between the San Benito County Water District ("District") and Jeffrey Cattaneo ("Cattaneo"). The District and Cattaneo may be referred to collectively as the "Parties."

RECITALS

WHEREAS, the District desires to retain Cattaneo in one limited-duration extra-help assignment combining executive management and licensed engineering services for the projects and transition work identified below, reporting directly to the current General Manager; and

WHEREAS, Cattaneo previously performed both General Manager and District Engineer responsibilities for the District, and his combined executive experience, engineering license, and institutional knowledge are needed for this integrated assignment under Government Code sections 21224 and 7522.56; and

WHEREAS, the District has determined that Cattaneo, a California Public Employees' Retirement System ("CalPERS") retiree, is qualified by training and experience to render such services; and

WHEREAS, Cattaneo desires to provide such services; and

WHEREAS, the Parties believe that the public interest will be served by this AGREEMENT.

NOW, THEREFORE, based on the mutual covenants, conditions and terms recited herein and made a material part hereof, the Parties agree as follows:

1. **TERM AND MAXIMUM HOURS.** The term shall commence November 1, 2026, or the effective date specified in Paragraph 16, whichever is later, and end upon completion of the specified work, earlier termination under Paragraph 5, or October 31, 2027, whichever occurs first. Cattaneo shall perform only approved work within the scope and budget. The assignment is limited to the identified projects and transition services; no minimum hours or continued employment is guaranteed. Before work begins, the General Manager, with District counsel, shall verify that the actual arrangement qualifies as limited-duration extra help and satisfies the compensation and other requirements of this AGREEMENT.

   As a CalPERS retired annuitant, Cattaneo may not work more than 960 hours for all CalPERS employers combined in a fiscal year (July 1 to June 30). This is one combined limit for this assignment and all other CalPERS employment, including hours worked under all prior and concurrent appointments and District employment before November 1, 2026. The Parties are each responsible for compliance. Before work begins and with

each pay-period timesheet, Cattaneo shall disclose all other CalPERS employment and report his fiscal-year hours for each employer. Timesheets shall identify the actual projects, executive and engineering services, and hours worked without double counting. The General Manager shall verify available hours, review timesheets and cumulative totals, and ensure timely reporting to CalPERS. The Parties will agree upon the specific days and hours of work, subject to these limitations.

Cattaneo shall stop work upon reaching the combined 960-hour limit, and the District shall not authorize or permit additional work during that fiscal year. Work may resume after July 1 only if this AGREEMENT remains in effect and the General Manager has verified continued eligibility and authorized resumption in writing. The fiscal-year reset does not extend the term of this AGREEMENT. Cattaneo shall promptly disclose any change affecting his eligibility or available hours.

2. **DUTIES.** Cattaneo shall serve in the limited-duration retired-annuitant assignment "Executive Management and Engineering," reporting directly to and working under the supervision, priorities, and lawful delegated authority of the current General Manager. The current General Manager retains overall District management responsibility and authority. Cattaneo shall integrate executive management and licensed engineering services on the work identified below. This AGREEMENT does not appoint him as the incumbent General Manager or to occupy the separate vacant District Engineer position. Actual duties, rather than the title alone, must support this appointment and compensation. All work is subject to Paragraphs 1 and 3:

    - Executive management and mentoring: Cattaneo shall develop executive recommendations on project financing, District participation, water-resource policy and strategy; lead assigned interagency and JPA negotiations; coordinate proposed Board decisions and implementation of approved policy for the projects below; and mentor the current General Manager in these functions. Deliverables include financing and participation recommendations, negotiation status and proposed terms, decision schedules, and written transfer of institutional knowledge and project records. This work shall be completed or handed off by October 31, 2027 or earlier termination. Commitments of District funds or legal obligations require approval by the authorized decision maker;
    - Licensed engineering services: Cattaneo shall provide engineering direction and technical evaluation for the assigned projects, including design and specification review, technical reports, construction oversight, and coordination of engineering staff and consultants. He shall maintain an active California civil-engineer license and exercise independent professional judgment within his competence. Where assigned responsible charge, he shall actually direct and control the engineering work and sign and seal documents only as authorized and required by law. He shall promptly report any restriction or lapse of licensure and stop work requiring the affected license. His reporting relationship does not diminish his professional duties;

- Project Manager – B F Sisk Dam Raise: Advance the finance plan and joint powers authority (JPA) formation process (overall estimated project period: September 2026 through March 2028); prepare and coordinate participation decisions and Board approvals for mitigation funding (November 2026), design decisions (September 2026 through January 2028), and construction funding (March 2028). Services under this AGREEMENT cover only the work performed during its term, including preparation for later milestones and transfer of unfinished tasks by October 31, 2027.

- Project Manager – San Juan Bautista – Urban Water Supply and Treatment: Coordinate design reviews through September 2027 and development of an operational strategy targeted for December 2027. Complete the assigned design-review work and prepare and transfer the operational-strategy work in progress by October 31, 2027.

- Project Manager – Accelerated Drought Response Project (ADRoP): Provide construction-management assistance and coordinate wheeling-agreement negotiations through July 2027. Advance startup and commissioning work, for which the overall project target is July 2028, and transfer the remaining startup and commissioning tasks by October 31, 2027. Any agreement negotiated by Cattaneo remains subject to approval by the District's authorized decision maker.

- District Surface Water/Groundwater Management: Develop and coordinate completion of the annual groundwater report by March 2027.

- District Groundwater Sustainability Plan Implementation: Manage the GSP amendment process through January 2027 and advance implementation of OpenET's revised methodology for groundwater-pumping estimates, with an overall project target of January 2028. Transfer the remaining OpenET implementation tasks by October 31, 2027.

The milestone dates are planning estimates. Dates after October 31, 2027 describe the broader projects and do not extend this AGREEMENT. Cattaneo shall report actual services, progress, deliverables, and delays with each pay-period timesheet. Upon hiring a permanent District Engineer, the General Manager shall coordinate transfer of appropriate engineering records and responsibilities and review the continuing scope and compensation basis. Hiring does not itself end this integrated assignment; remaining work must continue to meet its limited-duration and comparable-duty requirements. A material change in duties requires prior Board approval and a written amendment under Paragraph 14.

3. **HOURLY PAY RATE.** Cattaneo shall be paid a single rate of $144.23 per hour for authorized services within this integrated assignment. The Board finds the assigned executive management and engineering work comparable in scope, complexity, and responsibility to duties within the General Manager classification. Selection of the maximum rate reflects Cattaneo's prior combined General Manager and District Engineer

responsibilities, institutional knowledge, and the District's immediate need for his licensed engineering services alongside executive project work and mentoring. His license enables him to exercise engineering judgment and assume professional responsibility for assigned engineering work while integrating technical, financial, and policy decisions. These services provide substantial value supporting the maximum rate within the lawful comparable range. The rate uses the General Manager classification's $25,000 monthly maximum divided by 173.333, rounded to $144.23. The District shall verify the governing salary schedule and actual duty comparison before services begin. Prior compensation and licensure support the selection within that range but do not independently establish the lawful compensation limit or authorize additional pay.

Cattaneo shall be paid bi-weekly with other District employees. The single rate covers the integrated services and includes no separate license premium, supplemental benefit, or duplicate payment. The General Manager shall retain the governing salary schedule and written duty comparison and review timesheets against the actual work. This AGREEMENT does not authorize payment at this rate for an interim appointment to a separate vacant position. If actual duties constitute such an appointment, or a material change removes the basis for the agreed rate, the District shall suspend affected work before further services and obtain any required Board authorization and lawful compensation determination. Any rate change requires a written amendment approved by the Board.

4. **BENEFITS.** Cattaneo is ineligible to receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation other than the hourly pay rate. Cattaneo understands that Government Code sections 21224 and 7522.56 provide that a retired person may not receive any benefits, incentives, compensation in lieu of benefits, or any other forms of compensation in addition to the hourly pay rate described in Paragraph 3 above.

5. **TERMINATION.** Cattaneo serves as an "at-will" temporary employee, and either Party may terminate this AGREEMENT at any time, with or without cause, by written notice under Paragraph 17. The General Manager or Board of Directors may give notice on behalf of the District. This AGREEMENT contains no express or implied promise to Cattaneo concerning any form of continued employment. Cattaneo agrees that the District has made no representation, promise, or statement that may be construed to mean that Cattaneo has been employed on any basis other than an at-will basis in accordance with this AGREEMENT. Cattaneo's limited duration, at-will employment status may only be changed or superseded by a subsequent written agreement approved in advance by the Board and signed by authorized representatives of both Parties, in compliance with applicable law. This AGREEMENT is the sole and exclusive basis for an employment relationship between Cattaneo and the District. The Parties agree that Cattaneo holds no property right in his employment by the District.

This AGREEMENT shall automatically terminate upon: (i) mutual agreement of the Parties; (ii) Cattaneo's death or incapacity; (iii) completion of the specified work or

October 31, 2027, whichever occurs first; or (iv) a determination that all remaining employment under it would be unlawful. Reaching 960 combined fiscal-year hours requires immediate cessation of all work under Paragraph 1. A license restriction or lapse requires immediate cessation of affected engineering services and review of the remaining assignment and compensation under Paragraphs 2 and 3. No severance or compensation for unworked hours is payable.

6. **CONFLICT OF INTEREST.** Cattaneo represents that there is no conflict of interest concerning duties to be rendered under this AGREEMENT with respect to Cattaneo's duties and/or employment with any other parties or pursuant to any applicable ethical laws. If Cattaneo believes that there is a conflict, or such conflict arises during the term of this AGREEMENT, Cattaneo will immediately advise the District, and District may, by and through its Board of Directors and at its sole discretion, immediately terminate this AGREEMENT.

   No official, employee, or consultant of District shall have any financial interest in this AGREEMENT in violation of California Government Code sections 1090 and following. This AGREEMENT and Cattaneo shall be subject to the District's Conflict of Interest Code adopted pursuant to the provisions of California Government Code section 87300 and following.

7. **COMPLIANCE WITH LAWS.** The Parties shall comply with applicable federal, state, and local laws, including applicable CalPERS requirements, as amended from time to time. Cattaneo shall comply with District policies applicable to his work.

8. **NON-DISCRIMINATION.** During the performance of this AGREEMENT, Cattaneo will not discriminate against any employee or applicant for employment based on any protected class or protected activity as prohibited under applicable District policy and law.

9. **ACKNOWLEDGEMENT OF POST-RETIREMENT EMPLOYMENT OBLIGATIONS AND LIMITATIONS.** By accepting this employment and signing below, Cattaneo attests that: (1) his CalPERS retirement date was January 21, 2023, and at least 180 days will have elapsed between that date and commencement of work under this AGREEMENT; (2) he has satisfied any applicable bona fide separation-in-service requirements; and (3) during the 12 months preceding this appointment he has not received unemployment insurance compensation arising out of any prior retired-annuitant employment with a public employer, including the District. The General Manager shall verify the applicable eligibility requirements before authorizing work.

   By accepting temporary employment, Cattaneo acknowledges that the law strictly limits the employment of a CalPERS retired annuitant by a CalPERS employer. Such employment is governed by Government Code sections 7522.56 and 21224, among other laws and regulations. Cattaneo understands that a violation of these laws may result in Cattaneo's retroactive reinstatement to active membership from the first date of unlawful

employment, a repayment to CalPERS of retirement allowances received during the unlawful employment, retroactive member contributions, and administrative fees. Before entering into this Agreement with the District, Cattaneo was given the opportunity to consult with his own legal counsel and/or CalPERS to ensure his appointment will be in compliance with the law.

Except for the express terms of this AGREEMENT, the District makes no guarantee, warranty, or promise concerning Cattaneo's individual retirement-benefit treatment by CalPERS. Cattaneo acknowledges his opportunity to obtain independent advice concerning that treatment. This acknowledgment does not limit either Party's obligation to comply with applicable law or the express terms of this AGREEMENT.

In order to understand the circumstances, restrictions and consequences of non-compliance with the laws governing retired annuitant positions, Cattaneo was advised that he may want to review the CalPERS publication entitled "A Guide to CalPERS Employment After Retirement" available on the CalPERS website: https://www.calpers.ca.gov. Cattaneo was also made aware that he may also want to review the Public Employees' Retirement Law (Government Code section 20000, *et seq.*), the Public Employees' Pension Reform Act of 2013 (Government Code section 7522, *et seq.*) and other applicable law. If Cattaneo requires further clarification, he may contact his attorneys, CalPERS, and other applicable sources.

10. **LIMITED RELEASE AND STATUTORY RESPONSIBILITIES**. To the extent permitted by law, Cattaneo releases the District and its Board members, employees, officers, agents, attorneys, and representatives from claims based solely on the absence of a guaranteed individual pension outcome. This release does not extend to claims arising from the District's breach of this AGREEMENT, negligence, fraud, willful misconduct, or violation of law. Each Party remains responsible for its own statutory obligations. Nothing in this AGREEMENT binds CalPERS, waives a nonwaivable right, or shifts to Cattaneo any contribution, interest, fee, or other liability that the law requires the District to bear.

    Each Party to this AGREEMENT expressly acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any Party, or any person acting on behalf of any Party, which are not embodied herein, and that no other agreement, statement, representation or promise not contained in this AGREEMENT shall be of any force or effect.

11. **ENTIRE AGREEMENT.** This AGREEMENT contains the entire agreement between the Parties. Any agreements, correspondence, letters, documents, or discussions prior to this AGREEMENT that deal with the terms contained herein, are superseded by this AGREEMENT.

12. **BINDING EFFECT.** This AGREEMENT is binding upon the District and Cattaneo and their lawful successors, subject to its termination provisions. Cattaneo's services are personal and may not be assigned, delegated, or subcontracted. Any other assignment of

rights under this AGREEMENT requires prior written consent of the other Party and, for the District, prior Board approval.

13. **SEVERABILITY.** If any part of this AGREEMENT is in conflict or inconsistent with the applicable provisions of federal law, state law or District rules, or is otherwise held to be invalid or unenforceable by any court of competent jurisdiction, such part or provision shall be suspended and superseded by such applicable law, rule or regulation, and the remainder of this AGREEMENT shall not be affected thereby.

14. **AMENDMENT.** This AGREEMENT may only be amended by a written agreement approved in advance by the Board of Directors and executed by the Parties; it may not be amended by oral agreement. No amendment may authorize employment prohibited by applicable law or CalPERS requirements. The District may suspend assignments or terminate this AGREEMENT to maintain legal compliance. No project delay, unfinished mentoring, or assignment change automatically extends this AGREEMENT. Any proposed appointment to a vacant position requires separate review of the governing authority, compensation, and appointment history, including the restrictions of Government Code section 21221(h).

15. **NEGOTIATED AGREEMENT.** The Parties acknowledge and agree that the terms and provisions of this AGREEMENT have been negotiated and discussed between the Parties, and this AGREEMENT reflects their mutual agreement regarding the subject matter of this AGREEMENT. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any Party to be the drafter of this AGREEMENT and, therefore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this AGREEMENT.

16. **EFFECTIVE DATE.** This AGREEMENT becomes effective upon Board approval and execution by both Parties. Services shall not begin before November 1, 2026, or the last required approval or signature, whichever is later, and satisfaction of the eligibility, compensation, and other requirements of this AGREEMENT. The outside expiration date is October 31, 2027, subject to earlier completion or termination under Paragraphs 1 and 5.

17. **NOTICES.** Written notices under this AGREEMENT shall be personally delivered or deposited in the United States Postal Service, postage prepaid, addressed as follows: to the District, attention Board President, c/o Board Secretary, San Benito County Water District, 30 Mansfield Road, Hollister, CA 95023; and to Cattaneo, Jeffrey Cattaneo, 9458 Asuncion Road, Atascadero, CA 93422. Either Party may change its notice address by written notice to the other. Notice shall be deemed given on the date of personal delivery or deposit in the United States Postal Service.

18. **GOVERNING LAW.** This AGREEMENT shall be governed and construed in accordance with the laws of the State of California, including applicable amendments effective during its term.

19. **ASSISTANCE OF COUNSEL.** Cattaneo and the District each warrant to the other Party that it has either had the assistance of counsel in negotiation for, and preparation of, this AGREEMENT or could have had such assistance and voluntarily declined to obtain it.

IN WITNESS WHEREOF, the Parties hereto have executed this AGREEMENT on the day and date first shown.

JEFFREY CATTANEO

_____

Jeffrey Cattaneo Date

SAN BENITO COUNTY WATER DISTRICT

_____ _____

Mark Wright Date
Board President