

FINANCE COMMITTEE MEETING

DATE: March 26, 2026

LOCATION: 4060 Sunrise Highway, Oakdale

ATTENDANCE: Charles Lefkowitz, Chairman
William Davidson, Member
Jeffrey W. Szabo, Chief Executive Officer
Chris Cecchetto, Chief Financial Officer
John Milazzo, Chief Legal Officer
Barbara Yatauro, Cross Connection Field Assistant/ Local 393
Jessica Mattera, Executive Assistant to CEO/ Secretary to the Board

EXCUSED ABSENCE: John Porchia, Member

The meeting was called to order by Mr. Szabo at 2:37 p.m. upon Members of the Committee being present.

Mr. Szabo presented the minutes from the March 20, 2025, Finance Committee Meeting at the 3 p.m. Board Meeting since Mr. Davidson recused himself since he was not a Board Member during the March 2025 Finance Committee Meeting, on motion made by Ms. Mercado, duly seconded by Mr. Rose, and unanimously carried, it was

RESOLVED, To approve the March 20, 2025, Finance Committee Meeting minutes.

Mr. Szabo introduced Mr. Christopher Cecchetto, CFO, who presented the Fiscal Year 2027 Budget & Rate Proposal to the Finance Committee. Mr. Cecchetto outlined a proposed \$364 million budget, reflecting an increase over the prior year driven by operating, capital, and debt service needs, while maintaining strong financial performance and AAA bond ratings. He also reviewed a modest proposed rate increase to support infrastructure investment and long-term financial stability, noting that SCWA rates remain among the lowest compared to peers. He added that a more in-depth presentation and explanation would be provided to the full Board at 3 p.m.

Board Member Mr. Davidson asked whether any positions were being eliminated in the proposed budget, noting that he would prefer not to reduce staffing. Mr. Cecchetto explained that the Authority is up five positions overall, and the positions eliminated were thoroughly discussed with department heads. After meeting with each department head, positions that were no longer necessary to fill were identified and removed from hiring plans. Mr. Cecchetto also reviewed a detailed report of these positions with Mr. Davidson and explained the rationale for each.

Mr. Cecchetto also stressed the importance of approving the proposed rate and budget in a timely manner to avoid being late or behind on the required filings, and noted that he had

met with each Board Member, including Mr. Davidson prior to the meeting to review the budget so that any questions or concerns could've been addressed in advance to avoid any conflicts.

Mr. Davidson stated that he would support the budget and rate proposals if those positions were retained in the budget.

On motion made by Mr. Davidson, duly seconded by Mr. Lefkowitz, and unanimously carried, it was

RESOLVED, To approve the recommended rates and fees in accordance with the attached schedule effective June 1, 2026

On motion made by Mr. Davidson, duly seconded by Mr. Lefkowitz, and unanimously carried, it was

RESOLVED, To approve the Fiscal Year Ending May 31, 2027, Recommended Proposed Budgets for Fiscal Year Ending May 31, 2027:

Operating & Maintenance Expenses: \$173.6M
Capital Budget: \$125.7M
Debt Service: \$46.8M

Mr. Szabo asked if any members of the Committee or staff members in attendance any questions had, no more were asked at this time.

On motion made by Mr. Davidson, duly seconded by Mr. Lefkowitz, and unanimously carried, the meeting of the Audit Committee was adjourned at 2:59 p.m.

Ms. Elizabeth Mercado, Secretary