PAJARO VALLEY WATER MANAGEMENT AGENCY

36 BRENNAN STREET • WATSONVILLE, CA. 95076
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ADMINISTRATION & FINANCE COMMITTEE MEETING
Teleconference Meeting
Tuesday, April 13, 2021, 3:00 p.m.
MEETING AGENDA

Due to COVID-19, Public access is limited to teleconference. Please see details on page 2.

1. Call to Order and Roll Call: **Page**

   Committee members: Bob Culbertson (Chair), Stephen Rider (Vice-Chair), Amy Newell

2. Director Comments

3. Public Comments

4. Consider Approval of March 9, 2021 Administration & Finance Committee Meeting Minutes **3**

5. Review Draft Ordinances Adjusting Delivered Water Charge and Groundwater Augmentation Charges **5**

6. Consider Proposed Budget Amendments for Fiscal Year 2020- 2021 **18**

7. Consider Preliminary Budget for Fiscal Year Ending June 30, 2022 **23**

8. Consider Engagement of Fedak & Brown, LLP for Annual Audit Services for Fiscal Year ending June 30, 2021 **25**

9. Consider Amendment #2 to Agreement with Mike Podlech, Aquatic Ecologist, for College Lake Project Fisheries Services, in an amount not to exceed $23,920 **33**

10. Consider Agreement with Mid Coast Engineers to Conduct a Survey of Monitoring Well PV20, in an amount not to exceed $1,340 **48**

11. Review and Consider Accepting Quarterly Reports
    a. Contract Commitments **55**
    b. Billing Summary **57**
    c. Account Adjustments **58**

12. Review and Consider Accepting Financial Reports
    a. Activity Report **59**
    b. Investment Report **60**

PV Water is a state-chartered local Agency formed "to efficiently and economically manage existing and supplemental water supplies in order to prevent further increase in, and to accomplish continuing reduction of, long-term overdraft and to provide and insure sufficient water supplies for present and anticipated needs within the boundaries of the Agency. It is anticipated that long-term overdraft problems may not be solved unless supplemental water supplies are provided. The water management Agency should, in an efficient and economically feasible manner, utilize supplemental water and available underground storage and should manage the groundwater supplies to meet the future needs of the basin." This agenda is subject to revision and may be amended prior to the scheduled meeting. If amended, a Final Agenda will be posted at the PV Water offices at 36 Brennan Street, Watsonville, 72 hours prior to the meeting. Copies of the Final Agenda will be available at the Committee Meeting. This Agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the Ralph M. Brown Act (Cal. Govt. Code Sec. 54954.2). Persons requesting a disability-related modification or accommodation should contact PV Water at (831) 722-9292 during regular business hours, at least 24 hours prior to the time of the meeting.

13. Review and Consider Accepting Cash Flow Reports
    a. A/R Aging Update **61**
    b. A/P Reports **62**

14. Discuss future agenda items and next meeting date – Tuesday, May 11, 2021, 3:00 p.m.

15. Adjourn

ADMINISTRATION & FINANCE COMMITTEE MEETING

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ADMINISTRATION & FINANCE COMMITTEE
DRAFT MEETING MINUTES of
Tuesday, March 9, 2021, 3:00 p.m.
Teleconference Meeting due to COVID-19

The teleconference meeting was called to order at 3:00 p.m.

1. **Roll Call of Committee Members**:

   Committee Members Present: Amy Newell, Bob Culbertson, Stephen Rider
   Committee Members Absent: None
   Staff Present: Brian Lockwood, General Manager (GM), Helen Rodriguez, Finance & Administrative Services Manager (FASM), Nancy Trevino, Financial Analyst (FA),
   Others Present: None

2. **Director Comments:** None

3. **Public Comments:** None

4. **Consider Approving Minutes of February 9, 2021 Committee Meeting:**
   Action: Director Newell moved to approve the February 9, 2021 minutes; Seconded by Director Rider.

   The motion carried following roll call vote:

   Ayes: **Culbertson, Newell, Rider**
   Noes: **None**
   Abstain: **None**
   Absent: **None**

5. **Receive Update on Proposed Increases to Agency Service Charges:** GM provided an update to the committee on the proposed increases to Agency service charges and the public outreach program.

6. **Review and Consider Accepting Financial Reports:**
   Action: Director Newell moved to accept the Financial Reports, and place on the consent agenda for Board approval; seconded by Director Culbertson.

   The motion carried following roll call vote:

   Ayes: **Culbertson, Newell, Rider**
   Noes: **None**
   Abstain: **None**
   Absent: **None**

7. **Review and Consider Accepting Cash Flow Reports:**
   Action: Director Newell moved to accept the Cash Flow Reports, and place on the consent agenda for Board approval; seconded by Director Rider.

The motion carried following roll call vote:

Ayes: **Culbertson, Newell, Rider**
Noes: **None**
Abstain: **None**
Absent: **None**

8. **Discuss Future Agenda Items and Next Meeting Date**: Discussion of Preliminary Budget of FYE2020-21, Update of Proposed Increases to Agency Service Charges. Next meeting date set for Tuesday, April 13, 2021, 3:00 p.m.

Adjournment: 3:25 p.m.

MEMORANDUM

DATE: April 12, 2021
MEETING OF: April 13, 2021
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 5:** Review Draft Ordinances Adjusting Delivered Water Charge and Groundwater Augmentation Charges

INTRODUCTION

In November 2019, the Pajaro Valley Water Management Agency (PV Water) Board of Directors (Board) initiated an Ad Hoc Funding Committee process in an effort to develop a Proposition 26 and 218 compliant rate structure to fund existing operations and the projects and programs described in the Basin Management Plan Update. While the Board halted the work of the Committee for approximately a year due to the COVID-19 global pandemic, the Committee eventually resumed its work and in January 2021 voted in favor of the proposed rated structure. Following the Committee process and input from the Board of Directors, the public, and professional consultants, the recommended rates were developed. The recommended rate structure includes increased delivered water charges and increased groundwater augmentation charges.

The culmination of the process was the preparation of the 2021 Cost of Service Rate Study (Rate Study). The Rate Study identifies water user categories and anticipated use amounts for each category. It also identifies costs of service, allocates the costs to the water users, and proposes a rate increase. The Board adopted the Rate Study on February 17, 2021. The final Rate Study is available on the PV Water's website at www.pvwater.org, and at the PV Water office.

DISCUSSION

The Board is scheduled to hold public hearings concerning the proposed ordinances adjusting both the delivered water charge and the groundwater augmentation charges on April 21, 2021. Staff worked with PV Water's General Counsel to prepare the proposed ordinances and are presenting them to the Administration and Finance Committee for its review.

FISCAL IMPACT

The Rate Study describes the financial impact of adopting the ordinances.

STAFF RECOMMENDATION

That the Committee review the draft ordinances adjusting delivered water charge and groundwater augmentation charges and consider providing a recommendation to the Board.

ATTACHMENTS

- Draft Ordinance 2021-01 Adjusting Delivered Water Charges
- Draft Ordinance 2021-02 Adjusting Groundwater Augmentation Charges

ORDINANCE NO. 2021-01

AN ORDINANCE OF THE PAJARO VALLEY WATER MANAGEMENT AGENCY ADJUSTING DELIVERED WATER CHARGES

*** * ***

BE IT ORDAINED by the Board of Directors of the Pajaro Valley Water Management Agency as follows:

Section 1. Purpose and Authority. The purpose of this Ordinance is to increase and adjust the Agency delivered water charges. The background and purpose are more thoroughly explained in the Notice of Public Hearing on Proposed Delivered Water Charge Increase dated March 2, 2021. This Ordinance is adopted pursuant to California Constitution article XIII D, section 6, Pajaro Valley Water Management Agency Act sections 102, 501, 703, 704, 711 and 714, and other applicable law.

Section 2. Findings. The Board of Directors finds and determines as follows:

a. The Agency Act authorizes the Agency to develop, operate and maintain projects involving the purchase, capture, storing and distribution of supplemental water. Agency Act section 316 defines "supplemental water" to mean water imported into the Pajaro Valley groundwater basin, conserved floodwater, and recycled water.

a. The Agency has completed the following supplemental water projects identified in the Agency's 2002 Revised Basin Management Plan that work together to provide supplemental water to reduce overdraft, retard seawater intrusion, and improve and protect the groundwater basin supply: (1) Watsonville Recycled Water Project, which provides tertiary treated recycled water for agricultural use; (2) supplemental wells that are used to provide high quality well water that is blended with the treated water in order to improve the water quality so that it may be more suitable for agricultural purposes; (3) Harkins Slough Project, which diverts excess wet-weather flows from Harkins Slough to a basin that recharges the groundwater, which then is available to be extracted and delivered for agricultural use; and (4) Coastal Distribution System ("CDS"), which consists of approximately 21 miles of pipelines that deliver the supplemental irrigation supply for agricultural use along the coast.

b. The Agency Act authorizes the Agency to sell and levy a charge for the delivery of the supplemental water to property owners and farmers in the areas near the coast and served by the CDS. The delivered water charge is the charge levied by the Agency on customers who request and receive supplemental water from the CDS. The proposed increase is being processed as a property-related service charge pursuant to California Constitution article XIII D, section 6.

c. The Agency delivered water service (which is funded by the delivered water charge) is comprised of the delivery of the alternate supplemental water supplies produced by the Agency supplement water projects, which includes the following: the design, construction, operation,

maintenance, management, repair and replacement of existing facilities and other planned facilities identified in the Agency's 2014 Basin Management Plan Update, as the same may be amended from time to time ("BMP Update"), and the Service Charge Report (defined below) that provide irrigation water to delivered water service customers. Existing facilities include the Watsonville Recycled Water Facility, supplemental wells, Harkins Slough Project, CDS, turnouts, turnout meters, and other facilities that provide irrigation water to the Agency delivered water service customers. The service includes the operation of facilities that provide for the delivery of the water supply at pressure appropriate for agricultural irrigation. The delivered water service also includes basin management planning activities as appropriate to effectively manage the water supplies in the Pajaro Basin and management activities required to identify supplemental water sources and projects to provide sufficient delivered water quantity and quality without adverse impacts to the Pajaro groundwater basin; water quality monitoring and testing of the recycled water; processing of water delivery orders; scheduling delivery of water; cross connection and backflow prevention device testing; monitoring and inspection of delivered water use sites and meter-related activities. The cost of the service also includes ongoing debt payments related to the design and construction of the supplemental water projects and facilities.

e. The delivered water charge increase is necessary in order to cover the costs of the delivered water service described above. The current delivered water charges and other available revenue are not sufficient to cover the costs of the service.

f. The Agency retained Carollo Engineers to analyze the delivered water charge increase. In consultation with Agency staff and the Agency's Ad Hoc Funding Committee, Carollo Engineers prepared the Agency *2021 Cost of Service Rate Study* dated February 2021(the "Service Charge Report"), which sets forth analysis and information concerning the calculation of and reasons for the increased delivered water charges. On February 17, 2021, the Board of Directors held a duly noticed public hearing, considered public comment, and approved the Service Charge Report.

g. The delivered water charge rates adopted by this Ordinance have been calculated and fixed in an amount sufficient to pay the costs of the delivered water service and ongoing debt payments related to the design and construction of the supplemental water projects and facilities. The increased rates are reasonably related to, and do not exceed, the Agency's costs of providing the service and paying related debt service.

h. The Service Charge Report demonstrates that the revenue to be generated from the increased delivered water charges has been derived and calculated in such a manner that the revenue is based on and limited to the Agency costs of providing the delivered water service and paying debt service on the supplemental water projects and facilities. Additionally, this Ordinance limits the use of the delivered water charge revenue to these purposes and prohibits use of the revenue for any other purpose. The revenue derived from the increased delivered water charges therefore does not exceed the funds required to provide the delivered water service and pay related debt service.

i. For similar reasons, revenues derived from the delivered water charge are not and will

not be used for any purpose other than the purposes described in this Ordinance and the Service Charge Report.

j. The Service Charge Report describes the cost apportionment and delivered water charge calculation by: (1) evaluating the Agency's revenues and expenses required to provide the delivered water service and pay debt service in order to determine the net revenue requirements for the service; (2) allocating the revenue requirements to the Agency's cost categories to reflect the service attributable to the delivered water service customers; and (3) allocating the costs based on the estimated percentage of staff time spent on various functions, costs of pumping/pressurizing the water supply in the CDS, and relative consumption of water by the delivered water service customers and groundwater pumpers. As demonstrated by this analysis in the Service Charge Report, the amount of the delivered water charge imposed on each landowner's parcel is reasonably related to and does not exceed the proportional cost of the service attributable to each parcel.

k. The delivered water service (as described above and in the Service Charge Report) delivers water to land for irrigation purposes. The service is provided only to those landowners and tenants who request and receive supplemental water through the CDS. Those landowners and tenants are receiving the public water service. The delivered water service therefore is a service that is actually used by and immediately available to the owners of the property who will be subject to the increased delivered water charges.

1. As described in the Service Charge Report, the public service funded by the delivered water charges relates to the delivery of water to certain landowners and tenants served by the CDS. This type of public water service is unique to those landowners and tenants and it is not a general governmental service. Therefore, no portion of the delivered water charge increase will be imposed for general governmental services.

m. The Agency Board of Directors has conducted a duly noticed public hearing on this proposed delivered water charge increase in accordance with California Constitution article XIII D, section 6, and Resolution No. 2021-05, and the Board did not receive a majority protest against the proposed increase.

(For background and support for these findings, see the following: *2021 Cost of Service Rate Study* dated February 2021 (the "Service Charge Report") ; other documents referenced in the Service Charge Report; Notice of Public Hearing on Proposed Delivered Water Charge Increase dated March 2, 2021; 2014 BMP Update; minutes and tape recordings of the Agency Board meetings of February 17, 2021 and April 21, 2021; and, the 2020-21 Agency budget. These documents are available for public review and/or copying during normal business hours at the Agency office at 36 Brennan Street, Watsonville, CA 95076.

Section 3. Final Approval of Service Charge Report. The Service Charge Report is hereby approved as originally approved by resolution of the Board of Directors on February 17, 2021.

Section 4. Amendment to Delivered Water Charge Ordinance. The delivered water charge

was originally established by Ordinance No. 2004-03, and was amended and/or supplemented by Ordinance Nos. 2007-01, 2010-01, 2010-03 and 2015-01 (collectively the "Delivered Water Charge Ordinance"). The Delivered Water Charge Ordinance is hereby amended, supplemented and revised as follows:

a. Charge Increase. The Agency delivered water charges are hereby increased as follows (as measured by the turnout meter):

FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
$412/AF	$432/AF	$454/AF	$477/AF	$501/AF

b. Annual Adjustment. The 2021-22 delivered water charge rate shall remain in effect until June 30, 2022. Each July 1 (commencing July 1, 2022) the delivered water charges shall be adjusted as provided in Section 3.a. of this Ordinance. The General Manager is authorized and directed to make this adjustment and keep and maintain a current schedule of applicable delivered water charges at the Agency office and posted on the Agency website. After June 30, 2026, the 2025-26 rates shall will remain in effect until amended or superseded by Agency ordinance.

c. To the extent that any other provision of the Delivered Water Charge Ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall control and be operative to amend, revise and replace such conflicting provisions.

Section 5. Use of Delivered Water Charge Revenue. The delivered water charge revenue shall be expended solely for the costs of the delivered water service and debt service on the supplemental water projects and facilities as described in section 2(d) and the Service Charge Report and for no other use. The General Manager is authorized and directed to monitor and account for expenditures of the delivered water charge revenue to ensure that its use is limited to these purposes.

Section 6. CEQA. The Board of Directors finds that this increase in the delivered water charge rate is for the purposes of meeting operating expenses of the Agency delivered water service and obtaining funds for related capital costs. Accordingly, the Agency Board determines that this service charge increase is exempt from environmental review under the California Environmental Quality Act and CEQA Guidelines. (Public Resources Code section 21080(b)(8); CEQA Guidelines section 15273.)

Section 7. Severability. The provisions of this Ordinance are severable, and the invalidity, unenforceability or unconstitutionality of any section, portion or part of this Ordinance shall not affect the validity of the remainder of the Ordinance.

Section 8. Effective Date. This Ordinance and increased delivered water charges shall take effect on July 1, 2021.

Section 9. Posting/Publication. Within 15 days after its passage, the Agency Secretary shall

cause this Ordinance, or a summary thereof, to be published at least once, with the names of those directors voting for and against this Ordinance, in a newspaper of general circulation published and circulated in the Agency.

PASSED AND ADOPTED by the Board of Directors of the Pajaro Valley Water Management Agency on this 21st day of April, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

By:_____
Amy Newell, Chair

Attest:

_____
Laura R. Taay, Board Secretary

DRAFT

ORDINANCE NO. 2021-02

AN ORDINANCE OF THE PAJARO VALLEY WATER MANAGEMENT AGENCY ADJUSTING GROUNDWATER AUGMENTATION CHARGES

*** * ***

BE IT ORDAINED by the Board of Directors of the Pajaro Valley Water Management Agency as follows:

Section 1. Purpose and Authority.

A. The purpose of this Ordinance is to increase and adjust the Agency groundwater augmentation charges. The background and purpose are more thoroughly explained in the Notice of Public Hearing on Proposed Augmentation Charge Increase dated March 29, 2021.

B. California Constitution Article XIII C (amended by Proposition 26) and Article XIII D (added by Proposition 218) regulate local agency taxes, fees, and charges. Proposition 218 imposes procedural and substantive limitations and requirements on property-related service charges. Proposition 26 imposes substantive limitations and requirements on other fees and charges.

C. In 2017, the California Supreme Court ruled in City of San Buenaventura v. United Water Conservation District that groundwater pumping charges (such as the Agency augmentation charge) are not property-related fees subject to Proposition 218. Therefore, the augmentation charge is subject to Proposition 26.

D. This Ordinance is adopted pursuant to Proposition 26, Pajaro Valley Water Management Agency Act sections 102, 501, 703, 704, 711, 714, 1001 and 1002, and other applicable law.

Section 2. Findings. The Board of Directors finds and determines as follows:

a. Agency Act sections 1001 and 1002 authorize the Agency to levy a groundwater augmentation charge on the extraction of groundwater from groundwater wells within the Agency in order to pay the costs of purchasing, capturing, storing and distributing supplemental water and pay for the activities required to prepare and implement the Agency groundwater management program. Agency Act section 316 defines "supplemental water" to mean water imported into the Pajaro Valley groundwater basin, conserved floodwater, and recycled water.

b. The Agency has levied an augmentation charge since 1994. The current charge, adopted in 2015, is as follows for each acre-foot of pumped groundwater: $246 for metered users outside the Delivered Water Zone ("DWZ"), which is the area able to receive water from the Coastal Distribution System ("CDS") as described and shown in the Service Charge Report (as defined below); $338 for metered users inside the DWZ; $230 for unmetered users/rural

residential (or $115 annually per residence). In a 2013 court case, *Griffith v. Pajaro Valley Water Management Agency* (2013) 220 Cal.App.4th 586 the Sixth Appellate District held that the augmentation charge is a property-related service charge and that the 2010 rates were valid under California Constitution article XIII D, section 6. In 2017, the California Supreme Court ruled in *City of San Buenaventura v. United Water Conservation District*[1] that groundwater pumping charges (such as the Agency augmentation charge) are not property-related fees subject to Proposition 218. Therefore, the augmentation charge is subject to Proposition 26.

c. The Agency has completed the following supplemental water supply projects identified in the Agency's 2002 Revised Basin Management Plan that work together to provide supplemental water to reduce overdraft, retard seawater intrusion, and improve and protect the groundwater basin supply: (1) Watsonville Recycled Water Project, which provides tertiary treated recycled water for agricultural use; (2) supplemental wells that are used to provide high quality well water that is blended with the treated water in order to improve the water quality so that it may be more suitable for agricultural purposes; (3) Harkins Slough Project, which diverts excess wet-weather flows from Harkins Slough to a basin that recharges the groundwater, which then is available to be extracted and delivered for agricultural use; and (4) Coastal Distribution System ("CDS"), which consists of approximately 21 miles of pipelines that deliver the supplemental irrigation supply for agricultural use along the coast.

d. Under the authority of Agency Act sections 1001, 1002 and other Agency Act provisions, the Agency has developed a supplemental water service that is funded by Agency augmentation charges. Agency supplemental water service consists of (a) the design, construction, operation, maintenance, management, repair, replacement and improvement of the existing projects, facilities and water meters, and the planned projects described in the Service Charge Report, (b) ongoing debt service related to the design and construction of the projects and facilities, (c) groundwater monitoring and modeling, water quality monitoring, water resources and groundwater basin planning and management, including periodic updates of the Basin Management Plan, as appropriate to evaluate the effectiveness of the existing projects, determine improvements and enhancements, and identify future supplemental water projects that will further reduce groundwater overdraft and retard seawater intrusion, and (d) activities and actions to implement the groundwater management program as described in the 2014 Basin Management Plan Update, as may be amended from time to time ("BMP Update").

e. The BMP Update, approved by the Board of Directors on April 16, 2014, includes the following projects and programs to supplement existing water supply facilities and services: (a) Conservation, (b) Increased Recycled Water Storage, (c) Harkins Slough Recharge Facilities Upgrades, (d) College Lake with Inland Pipeline to CDS, (e) Watsonville Slough with Recharge Basins, and (f) Murphy Crossing Diversion with Recharge Basins.

f. The augmentation charge increase is necessary in order to cover the costs of the supplemental water service described above. The current augmentation charge rates and other available revenue are not sufficient to cover the costs of the service.

[1] (2017) 3 Cal. 5th 1191,

e. The Agency retained Carollo Engineers to analyze the augmentation charge increase. In consultation with Agency staff and the Agency's Ad Hoc Funding Committee, which convened several meetings to complete its review of rate alternatives, Carollo Engineers prepared the Agency *2021 Cost of Service Rate Study* dated February 2021 (the "Service Charge Report"), which sets forth analysis and information concerning the calculation of and reasons for the increased augmentation charges. On February 17, 2021, the Board of Directors held a duly noticed public hearing, considered public comment, and approved the Service Charge Report.

f. The augmentation charge rates adopted by this Ordinance have been calculated and fixed in an amount sufficient to pay the costs of the supplemental water service, including debt payments related to the design and construction of the supplemental water projects and facilities. The increased rates are reasonably related to, and do not exceed, the Agency's costs of providing the service, including paying related debt service.

g. The Service Charge Report demonstrates that the revenue to be generated from the increased augmentation charges has been derived and calculated in such a manner that the revenue is based on and limited to the Agency costs of providing the supplemental water service, including paying debt service on the supplemental water projects and facilities. Additionally, this Ordinance limits the use of the augmentation charge revenue to these purposes and prohibits use of the revenue for any other purpose. The revenue derived from the increased augmentation charges therefore does not exceed the funds required to provide the supplemental water service, including paying related debt service.

h. For similar reasons, revenues derived from the augmentation charge are not and will not be used for any purpose other than the purposes described in this Ordinance and the Service Charge Report.

i. The Service Charge Report describes the cost apportionment and augmentation charge calculation by: (1) explaining how the increased augmentation charges have been calculated based on three appropriate landowner groups (owners of wells with meters inside the DWZ; owners of wells with meters outside the DWZ; and owners of wells without meters) and how the costs of the service have been allocated to these groups; (2) evaluating the Agency's revenues and expenses required to provide the supplemental water service, including paying debt service in order to determine the net revenue requirements for the service; (3) allocating the revenue requirements to the Agency's cost categories to reflect the different service levels attributable to the three landowner groups; and (4) allocating the costs based on the estimated percentage of staff time spent on various functions, costs of pumping/pressurizing the water supply in the CDS, and relative consumption of water by the various landowner groups. As demonstrated by this analysis in the Service Charge Report, the amount of the augmentation charge imposed on each landowner's parcel is reasonably related to and does not exceed the proportional cost of the service attributable to each parcel.

j. The supplemental water service (as described above and in the Service Charge Report) has a direct and significant relationship to the land in the Pajaro Valley, the groundwater underlying that land, and the owners of that land with groundwater wells. The ongoing public

service funded by the increased augmentation charges will secure the Pajaro Valley groundwater basin water supply and quality and maintain the benefit of ongoing groundwater extraction by property owners by providing for the following: reduction of groundwater overdraft; retarding of seawater intrusion; promoting water conservation; and, avoiding more draconian direct groundwater regulation by Agency-imposed or court-ordered pumping limits and thereby preserving the ability of well owners throughout the basin to continue extracting groundwater without burdensome pumping limits.

k. In contrast, without the augmentation charge increase, the Agency will be unable to pay the debt service on the supplemental water projects and facilities or to fully operate, maintain and manage those projects. Without the ongoing full operation, maintenance and management of the supplemental water projects, the following likely will result: the groundwater overdraft condition will be exacerbated; there will be greater seawater intrusion; there will be an increased likelihood of more draconian direct groundwater regulation by Agency-imposed or court-ordered pumping limits; and, it will be more difficult to preserve the ability of well owners throughout the basin to continue extracting groundwater without burdensome pumping limits.

l. The landowners who pay the augmentation charges are the owners of land with groundwater wells that extract water from the basin. As affirmed by the court in *Griffith v. Pajaro Valley Water Management Agency*, those landowners, through their wells and the groundwater basin underlying their land, are receiving the public service described above. The supplemental water service therefore is a service that is actually used by and immediately available to the owners of the property who will be subject to the increased augmentation charges.

m. As described in the Service Charge Report, the public service funded by the augmentation charges relates to water supply and availability for landowners with wells. This type of public service is unique to landowners with wells and it is not a general governmental service. Therefore, no portion of the augmentation charge increase will be imposed for general governmental services.

n. The Agency Board makes the following findings and determinations in accordance with Agency Act section 1002 and Water Code section 75574:

(1) As part of the augmentation charge analysis, the Service Charge Report also evaluated the groundwater basin overdraft conditions, groundwater extraction amounts, and water replenishment needs. (See in particular Service Charge Report, Table 1-1.) The Agency water year is October 1 to September 30. The average annual overdraft for the immediate past 10 water years is 14,350 acre-feet (AF). The estimated annual overdraft[2] for the current water

[2] "Estimated annual overdraft" is defined as the amount by which the production of water from groundwater exceeds the natural replenishment of the groundwater supplies in the water year. The Pajaro Valley Hydrologic Model report (Hanson et al, 2014) provides estimates of long-term average annual overdraft (12,500 AF over the period 1964-2009), as well as a range of groundwater inflows and outflows. Model data were used in conjunction with measured production to populate the table. The values are estimates and subject to change pending further

year is 21,600 AF. The estimated annual overdraft for the ensuing water year is 20,000 AF. The accumulated overdraft as of the last day of the preceding water year is 704,190 AF. The estimated accumulated overdraft[3] as of the last day of the current water year is 718,540 AF. The estimated amount of agricultural water to be withdrawn from the groundwater supplies of the Agency for the ensuing water year is 40,000 AF. The amount of water other than agricultural water to be drawn from the groundwater supplies of the Agency for the ensuing water year is 8,500 AF. The estimated amount of water necessary for surface distribution for the ensuing water year is 7,100 AF. The amount of water which is necessary for the replenishment of the groundwater supplies of the Agency is 18,100 AF/year. The Agency is not obligated by contract to purchase any water.

(2) In order to replenish and enhance the Agency groundwater supplies, the Agency needs supplemental water supplies in the amount of 18,100 AF/year. Part of that need is and will be fulfilled by the ongoing operation and maintenance of the existing supplemental water projects and the current and increased usage of supplemental water through the CDS. The remainder of that water supply need will have to come from additional supplemental water projects, water conservation and/or other actions. Potential additional projects are described in the Agency's BMP Update. The funds and revenue necessary to operate and maintain the supplemental water service and cover debt service are described in the Service Charge Report and incorporated into the calculation of the increased augmentation charges. The funds and revenue necessary to develop, operate and maintain additional projects are estimated in the Basin Management Plan Update. The estimated capital cost of the projects described in the Basin Management Plan Update is $66.9 million in 2011 dollars. The BMP Update also describes several other potential supplemental water supply projects and their 2011 cost estimate. The BMP Update explains these cost estimates in more detail.

(3) As described in the Service Charge Report, the BMP Update provides a plan for maintaining and improving supplemental water service through existing and proposed supplemental water projects and programs. The activities required to implement further groundwater management therefore include: (i) approval of the increased augmentation charges in order to ensure the operation and maintenance of and debt service on the existing and proposed supplemental water projects and programs identified in the BMP Update; and (ii) identifying and securing additional funding to pay for those projects and/or programs.

o. The Agency Board of Directors has conducted a duly noticed public hearing on this proposed augmentation charge increase in accordance with California Constitution article XIII C.

(For background and support for these findings, see the following: *2021 Cost of Service Rate Study* dated February 2021 (the "Service Charge Report"); other documents referenced in the Service Charge Report; Notice of Public Hearing on Proposed Augmentation Charge Increase dated March 29, 2021; 2002 Revised Basin Management Plan; the 2014 Basin Management Plan Update, minutes and tape recording of the Agency Board meeting of February 17, 2021;

improvements to the understanding of the hydrologic system. All values were rounded to the nearest ten acre-feet.

[3] "Estimated accumulated overdraft" is defined as the total amount of water necessary to be replaced in the intake areas of the groundwater basin to prevent the landward movement of salt water into the fresh groundwater.

and the 2020-21 Agency budget. These documents are available for public review and/or copying during normal business hours at the Agency office at 36 Brennan Street, Watsonville, CA 95076.

Section 3. Final Approval of Service Charge Report. The Service Charge Report is hereby approved as originally approved by resolution of the Board of Directors on February 17, 2021.

Section 4. Augmentation Charge Rate Adjustment.

a. Charge Increase. The Agency augmentation charges are hereby revised as follows:

User Group	Aug. Charge Rate FY 2021/22	Aug. Charge Rate FY 2022/23	Aug. Charge Rate FY 2023/24	Aug. Charge Rate FY 2024/25	Aug. Charge Rate FY 2025/26
Aug. Charge, Metered Users – Outside DWZ	$263/AF	$282/AF	$302/AF	$323/AF	$346/AF
Aug. Charge, Metered Users – Inside DWZ	$363/AF	$391/AF	$420/AF	$452/AF	$486/AF
Aug. Charge, Unmetered (Rural Residents)	$123/ Residence	$132/ Residence	$142/ Residence	$152/ Residence	$163/ Residence

b. Unmetered Wells. Because the unmetered wells lack meters, the increased augmentation charges shall be levied based on an estimate of well usage of 0.5 acre-feet/residence/year (or $123/residence/year for 2021-22). If an unmetered well owner would prefer to pay the augmentation charge based on actual usage, then they may install a meter at the owner's cost and thereafter be billed based on the metered pumping amount.

c. Annual Adjustment. The 2021-22 augmentation charge rates shall remain in effect until June 30, 2022. Each July 1 (commencing July 1, 2022) the augmentation charges shall be adjusted as provided in Section 3.a. of this Ordinance. The General Manager is authorized and directed to make this adjustment and keep and maintain a current schedule of applicable augmentation charges at the Agency office and posted on the Agency website. After June 30, 2026, the 2025-26 rates will remain in effect until amended or superseded by Agency ordinance.

Section 5. Amendment to Current Augmentation Charge Ordinance. The Augmentation Charge Ordinance was originally established by Ordinance 93-1, and has been amended and/or supplemented by Ordinance Nos. 93-2, 96-2, 96-3, 95-1, 98-2, 2002-01, 2002-02, 2003-01, 2004-02, 2005-01 and 2007-01, 2010-01, 2010-02, 2010-03, 2010-04, 2014-01 and 2015-02 (collectively the "Augmentation Charge Ordinance"). The Augmentation Charge Ordinance is hereby amended, supplemented and revised as stated in this Ordinance No. 2021-02. To the extent that any provision of the Augmentation Charge Ordinance conflicts with the provisions of this

Ordinance, the provisions of this Ordinance shall control and be operative to amend, revise and replace such conflicting provisions.

Section 6. Use of Augmentation Charge Revenue. The augmentation charge revenue shall be expended solely for the costs of the supplemental water service, including debt service as described in section 2(d) and the Service Charge Report and for no other use. The General Manager is authorized and directed to monitor and account for expenditures of the augmentation charge revenue to ensure that its use is limited to these purposes.

Section 7. CEQA. The Board of Directors finds that this increase in the augmentation charge rates is for the purposes of meeting operating expenses of the Agency supplemental water service and obtaining funds for related capital costs. Accordingly, the Agency Board determines that this service charge increase is exempt from environmental review under the California Environmental Quality Act and CEQA Guidelines. (Public Resources Code section 21080(b)(8); CEQA Guidelines section 15273.)

Section 8. Severability. The provisions of this Ordinance are severable, and the invalidity, unenforceability or unconstitutionality of any section, portion or part of this Ordinance shall not affect the validity of the remainder of the Ordinance.

Section 9. Effective Date. This Ordinance and the increased augmentation charge shall become effective on July 1, 2021.

Section 10. Posting/Publication. Within 15 days after its passage, the Agency Secretary shall cause this Ordinance, or a summary thereof, to be published at least once, with the names of those directors voting for and against the Ordinance, in a newspaper of general circulation published and circulated in the Agency.

PASSED AND ADOPTED by the Board of Directors of the Pajaro Valley Water Management Agency on this 21st day of April, 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

By:_____
Amy Newell, Chair

Attest:

_____
Laura R. Taay, Board Secretary

DRAFT

MEMORANDUM

DATE: April 9, 2021
MEETING OF: April 13, 2021
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 6:** Consider Proposed Budget Amendments for Fiscal Year 2020-2021

INTRODUCTION

The proposed Budget Amendments for Fiscal Year 2020-2021 ("FY20-21") provide a revised forecast of the budget adopted by the Board of Directors on June 6, 2020. Included in the discussion that follows is a summary of proposed amendments including revisions to important assumptions taken into account when developing the FY20-21 budget.

DISCUSSION

The adopted budget for FY20-21is a balanced budget. The net change to the proposed, amended budget is an excess of revenues over expenditures of $1,149,921. The adopted budget assumed revenue of $21,172,000. The amended budget projects revenue closer to $19,397,000, a reduction of $1,775,000. The adopted budget assumed expenditures in the amount of $21,172,000. The amended budget projects expenditures closer to $18,247,079, a reduction of $2,924,921. Impacts to the FY20-21 budget will also affect the FY21-22 budget. For example, reduced grant revenue in the current fiscal year is anticipated to be received in the next fiscal year. These impacts will be evaluated in the proposed preliminary budget. A summary of significant, proposed amendments is below.

Revenue

- Grant Revenue and SRF Financial Agreement funds are increased by $1,475,000 due to the timing of the anticipated receipt these funds were pushed into the next fiscal year.
- Augmentation Charge Revenue is projected to be $500,000 less than assumed, while Delivered Water Revenue is projected to be $200,000 greater than assumed.

Expenditures

- Salaries and wages are reduced by $204,841 due to the vacancy of the proposed Engineering position, and the Field Technician position being filled for 6 of 12 months of the fiscal year.
- Professional Service expenditures are reduced by $1,347,500
- Licensed Contractors expenditures are expected to decrease by $1,816,710.

Summary

The table below summarizes the proposed budget amendments. Detailed tables are attached.

Pajaro Valley Water Management Agency Summary of Proposed Budget Amendments Fiscal Year Ending June 30, 2021	
REVENUE	**As Amended**
Adopted 2020-2021 Revenue	$ 21,172,000
Total Proposed Revenue Amendments	$ (1,775,000)
Proposed Budget Revenue as Amended	**$ 19,397,000**
EXPENDITURES	
Adopted 2020-2021 Expenditures	$ 21,172,000
Proposed Amendments	$ (2,924,921)
Proposed Budget Expenditures as Amended	**$ 18,247,079**
EXPENDITURES BY FUND	
Salary and Wages	$ (204,841)
Fund 10 - General Fund	$ (113,880)
Fund 20 - Special Revenue Funds	$ 74,800
Fund 30 - Capital Projects Fund	$ (2,681,000)
Total Proposed Expediture Amendments	$ (2,924,921)
NET BUDGET AS AMENDED	**$ 1,149,921**

FISCAL IMPACT

The proposed budget amendments result in a budget surplus of $1,149,921.

RECOMMENDATION

That the Committee review the proposed Budget Amendments for FY20-21 and consider providing a recommendation of approval to the Board of Directors.

ATTACHMENTS

- Proposed Budget Amendments for FY20-21
- The Fiscal Year 2020-2021 adopted budget is available here: https://www.pvwater.org/images/about-pvwma/assets/bugdet_assets/Budget_FY20-21_Adopted_06-17-2020.pdf

Summary by Service July 1, 2020 to June 30, 2021									
	General Fund Fund 10	Special Revenue Fund 20						Capital Projects Fund 30	Debt Service Fund 40
Revenues and Sources of Funds									
Management Fees	$ 387,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Delivered Water (4,800 AF)	-	1,900,000	-	-	-	-	-	-	-
Augmentation Charges (49,000 AF)	-	12,000,000	-	-	-	-	-	-	-
Grant Revenue	-	4,300,000	-	-	-	-	-	-	-
SRF Financial Agreement	-	2,300,000	-	-	-	-	-	-	-
Interest Income	50,000	200,000	-	-	-	-	-	-	-
Other Revenue	-	35,000	-	-	-	-	-	-	-
Total Revenue	$ 437,000	#######	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Agency Admin	Special Revenue Fund General Admin	Facility Operations	Basin Management	Grant Admin	Conservation	Public Education & Outreach	Capital Projects Fund 30	Debt Service Fund 40
Expenditures									
Salaries and Wages	$ 34,316	$ 801,732	$ 824,556	$ 310,498	$ 53,823	$ 52,507	$ 96,553	$ 187,716	$ -
Conferences/Training	8,500	4,000	3,000	4,500	-	1,000	1,000	-	-
Travel - Mileage - Meals - Lodging	13,000	7,500	2,000	8,000	1,000	2,000	2,000	-	-
Bank Charges/Bond Fees	-	40,000	40,000	-	-	-	-	-	-
Insurance	4,400	3,100	26,000	-	-	-	-	-	-
Taxes/Fees	-	19,700	500	-	-	-	-	31,000	-
Legal Notices & Ads	750	1,000	-	3,000	-	-	-	7,000	-
Dues & Subscription	23,000	10,000	25,000	1,000	-	-	500	-	-
Office Expense/Supplies	6,000	10,000	5,500	-	-	1,000	1,000	-	-
Postage	2,000	2,000	6,950	2,500	1,000	-	1,000	-	-
Printing	2,000	8,500	1,750	1,500	-	1,000	15,000	13,000	-
City Connection Water Charges	-	-	475,000	-	-	-	-	-	-
Utilities	2,000	8,200	227,000	-	-	-	-	-	-
Telephone/Communications	4,000	4,000	12,000	-	-	4,000	4,000	-	-
Office Equipment	1,000	12,300	7,000	-	-	-	-	-	-
Well Leases	-	-	90,000	-	-	-	-	-	-
Field Supplies/Equipment	-	-	30,000	20,000	-	10,000	5,000	75,000	-
Elections	65,000	-	-	-	-	-	-	-	-
LAFCO District Fees	17,000	-	-	-	-	-	-	-	-
Collection Fee/Bad Debt	5,000	50,000	-	-	-	-	-	-	-
Professional Services	49,000	15,000	80,000	825,000	80,000	225,000	45,000	4,700,000	-
Vehicle Purchase	-	-	21,000	5,000	-	-	-	-	-
Vehicle Maintenance	-	-	16,000	3,000	-	2,850	2,850	-	-
Meters	-	-	50,000	-	-	-	-	-	-
Meter Contractor	-	-	30,000	-	-	-	-	-	-
Water Sampling	-	-	47,000	40,000	-	-	-	-	-
Legal Services	45,000	40,000	-	75,000	2,000	-	-	250,000	-
Facilities Maintenance	50,000	5,000	8,000	-	-	-	-	-	-
Information Technology	12,000	20,000	52,000	30,000	-	10,000	10,000	-	-
Licensed Contractors	-	-	85,000	5,000	-	-	-	2,050,000	-
COW Reimb O&M	-	-	2,100,000	-	-	-	-	-	-
Special Projects Outreach	25,000	-	-	-	-	-	-	-	-
Rebates	-	-	-	-	-	75,000	-	-	-
Bond Administration Fee		-	-	-	-	-	-	-	-
Miscellanous (X-Band Radar/Uniforms)	-	10,500	-	-	-	-	-	-	-
Crop Loss	-	-	-	-	-	-	-	250,000	-
Land Acquisition	-	-	-	-	-	-	-	2,500,000	-
DWR Note Payable	-	-	-	-	-	-	-	-	251,416
2015 Bond Payment Principal	-	-	-	-	-	-	-	-	1,770,000
2015 Bond Payment Interest	-	-	-	-	-	-	-	-	535,850
2016 Bond Payment Principal	-	-	-	-	-	-	-	-	440,000
2016 Bond Payment Interest	-	-	-	-	-	-	-	-	364,213
Total Expenditures	$ 368,966	$ 1,072,532	$ 4,265,256	$ 1,333,998	$ 137,823	$ 384,357	$ 183,903	$ 10,063,716	$ 3,361,479
Total Revenue									
Excess of Revenues or (Deficit)									

Summary by Service July 1, 2020 to June 30, 2021			
	FY 20-21 Adopted Budget	Proposed Amendments	Proposed FY20-21 Amended Budget
Revenues and Sources of Funds			
Management Fees	387,000	-	387,000
Delivered Water (4,800 AF)	1,900,000	200,000	2,100,000
Augmentation Charges (49,000 AF)	12,000,000	(500,000)	11,500,000
Grant Revenue	4,300,000	(425,000)	3,875,000
SRF Financial Agreement	2,300,000	(1,050,000)	1,250,000
Interest Income	250,000	-	250,000
Other Revenue	35,000	-	35,000
Total Revenue	$ 21,172,000	$ (1,775,000)	$ 19,397,000
	FY 20-21 Adopted Budget	Proposed Amendments	Proposed FY20-21 Amended Budget
Expenditures			
Salaries and Wages	$ 2,361,673	204,843	2,156,830
Conferences/Training	22,000	5,500	16,500
Travel - Mileage - Meals - Lodging	35,500	27,050	8,450
Bank Charges/Bond Fees	80,000	(5,020)	85,020
Insurance	33,500	(8,350)	41,850
Taxes/Fees	51,200	(43,000)	94,200
Legal Notices & Ads	11,750	1,000	10,750
Dues & Subscription	59,500	2,900	56,600
Office Expense/Supplies	23,500	10,000	13,500
Postage	15,450	5,100	10,350
Printing	42,750	20,500	22,250
City Connection Water Charges	475,000	(125,000)	600,000
Utilities	237,200	4,950	232,250
Telephone/Communications	28,000	7,000	21,000
Office Equipment	20,300	12,300	8,000
Well Leases	90,000	-	90,000
Field Supplies/Equipment	140,000	(4,200)	144,200
Elections	65,000	63,000	2,000
LAFCO District Fees	17,000	-	17,000
Collection Fee/Bad Debt	55,000	40,000	15,000
Professional Services	6,019,000	1,347,500	4,671,500
Vehicle Purchase	26,000	(29,000)	55,000
Vehicle Maintenance	24,700	2,350	22,350
Meters	50,000	-	50,000
Meter Contractor	30,000	-	30,000
Water Sampling	87,000	-	87,000
Legal Services	412,000	71,000	341,000
Facilities Maintenance	63,000	40,000	23,000
Information Technology	134,000	(13,000)	147,000
Licensed Contractors	2,140,000	1,070,000	1,070,000
COW Reimb O&M	2,100,000	-	2,100,000
Special Projects Outreach	25,000	-	25,000
Rebates	75,000	-	75,000
Bond Administration Fee	-	(4,000)	4,000
Miscellanous (X-Band Radar/Uniforms)	10,500	1,500	9,000
Crop Loss	250,000	220,000	30,000
Land Acquisition	2,500,000	-	2,500,000
DWR Note Payable	251,416	-	251,416
2015 Bond Payment Principal	1,770,000	-	1,770,000
2015 Bond Payment Interest	535,850	-	535,850
2016 Bond Payment Principal	440,000	-	440,000
2016 Bond Payment Interest	364,213	-	364,213
Total Expenditures	$ 21,172,000	$ 2,924,921	$ 18,247,079
Total Revenue	$ 21,172,000	$ (1,775,000)	$ 19,397,000
Excess of Revenues or (Deficit)	$ (0)	$ 1,149,921	$ 1,149,921

Summary by Service
July 1, 2020 to June 30, 2021

	General Fund Fund 10	Special Revenue Fund 20						Capital Projects Fund 30	Debt Service Fund 40	FY 20-21 Adopted Budget	Proposed Amendments	Proposed FY20-21 Amended Budget
Revenues and Sources of Funds												
Management Fees	$ 387,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	387,000	-	387,000
Delivered Water (4,800 AF)	-	1,900,000	-	-	-	-	-	-	-	1,900,000	200,000	2,100,000
Augmentation Charges (49,000 AF)	-	12,000,000	-	-	-	-	-	-	-	12,000,000	(500,000)	11,500,000
Grant Revenue	-	4,300,000	-	-	-	-	-	-	-	4,300,000	(425,000)	3,875,000
SRF Financial Agreement	-	2,300,000	-	-	-	-	-	-	-	2,300,000	(1,050,000)	1,250,000
Interest Income	50,000	200,000	-	-	-	-	-	-	-	250,000	-	250,000
Other Revenue	-	35,000	-	-	-	-	-	-	-	35,000	-	35,000
Total Revenue	$ 437,000	#######	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,172,000	$ (1,775,000)	$ 19,397,000
	Agency Admin	Special Revenue Fund General Admin	Facility Operations	Basin Management	Grant Admin	Conservation	Public Education & Outreach	Capital Projects Fund 30	Debt Service Fund 40	FY 20-21 Adopted Budget	Proposed Amendments	Proposed FY20-21 Amended Budget
Expenditures												
Salaries and Wages	$ 34,316	$ 801,732	$ 824,556	$ 310,498	$ 53,823	$ 52,507	$ 96,553	$ 187,716	$ -	$ 2,361,673	204,843	2,156,830
Conferences/Training	8,500	4,000	3,000	4,500	-	1,000	1,000	-	-	22,000	5,500	16,500
Travel - Mileage - Meals - Lodging	13,000	7,500	2,000	8,000	1,000	2,000	2,000	-	-	35,500	27,050	8,450
Bank Charges/Bond Fees	-	40,000	40,000	-	-	-	-	-	-	80,000	(5,020)	85,020
Insurance	4,400	3,100	26,000	-	-	-	-	-	-	33,500	(8,350)	41,850
Taxes/Fees	-	19,700	500	-	-	-	-	31,000	-	51,200	(43,000)	94,200
Legal Notices & Ads	750	1,000	-	3,000	-	-	-	7,000	-	11,750	1,000	10,750
Dues & Subscription	23,000	10,000	25,000	1,000	-	-	500	-	-	59,500	2,900	56,600
Office Expense/Supplies	6,000	10,000	5,500	-	-	1,000	1,000	-	-	23,500	10,000	13,500
Postage	2,000	2,000	6,950	2,500	1,000	-	1,000	-	-	15,450	5,100	10,350
Printing	2,000	8,500	1,750	1,500	-	1,000	15,000	13,000	-	42,750	20,500	22,250
City Connection Water Charges	-	-	475,000	-	-	-	-	-	-	475,000	(125,000)	600,000
Utilities	2,000	8,200	227,000	-	-	-	-	-	-	237,200	4,950	232,250
Telephone/Communications	4,000	4,000	12,000	-	-	4,000	4,000	-	-	28,000	7,000	21,000
Office Equipment	1,000	12,300	7,000	-	-	-	-	-	-	20,300	12,300	8,000
Well Leases	-	-	90,000	-	-	-	-	-	-	90,000	-	90,000
Field Supplies/Equipment	-	-	30,000	20,000	-	10,000	5,000	75,000	-	140,000	(4,200)	144,200
Elections	65,000	-	-	-	-	-	-	-	-	65,000	63,000	2,000
LAFCO District Fees	17,000	-	-	-	-	-	-	-	-	17,000	-	17,000
Collection Fee/Bad Debt	5,000	50,000	-	-	-	-	-	-	-	55,000	40,000	15,000
Professional Services	49,000	15,000	80,000	825,000	80,000	225,000	45,000	4,700,000	-	6,019,000	1,347,500	4,671,500
Vehicle Purchase	-	-	21,000	5,000	-	-	-	-	-	26,000	(29,000)	55,000
Vehicle Maintenance	-	-	16,000	3,000	-	2,850	2,850	-	-	24,700	2,350	22,350
Meters	-	-	50,000	-	-	-	-	-	-	50,000	-	50,000
Meter Contractor	-	-	30,000	-	-	-	-	-	-	30,000	-	30,000
Water Sampling	-	-	47,000	40,000	-	-	-	-	-	87,000	-	87,000
Legal Services	45,000	40,000	-	75,000	2,000	-	-	250,000	-	412,000	71,000	341,000
Facilities Maintenance	50,000	5,000	8,000	-	-	-	-	-	-	63,000	40,000	23,000
Information Technology	12,000	20,000	52,000	30,000	-	10,000	10,000	-	-	134,000	(13,000)	147,000
Licensed Contractors	-	-	85,000	5,000	-	-	-	2,050,000	-	2,140,000	1,070,000	1,070,000
COW Reimb O&M	-	-	2,100,000	-	-	-	-	-	-	2,100,000	-	2,100,000
Special Projects Outreach	25,000	-	-	-	-	-	-	-	-	25,000	-	25,000
Rebates	-	-	-	-	-	75,000	-	-	-	75,000	-	75,000
Bond Administration Fee		-	-	-	-	-	-	-	-	-	(4,000)	4,000
Miscellanous (X-Band Radar/Uniforms)	-	10,500	-	-	-	-	-	-	-	10,500	1,500	9,000
Crop Loss	-	-	-	-	-	-	-	250,000	-	250,000	220,000	30,000
Land Acquisition	-	-	-	-	-	-	-	2,500,000	-	2,500,000	-	2,500,000
DWR Note Payable	-	-	-	-	-	-	-	-	251,416	251,416	-	251,416
2015 Bond Payment Principal	-	-	-	-	-	-	-	-	1,770,000	1,770,000	-	1,770,000
2015 Bond Payment Interest	-	-	-	-	-	-	-	-	535,850	535,850	-	535,850
2016 Bond Payment Principal	-	-	-	-	-	-	-	-	440,000	440,000	-	440,000
2016 Bond Payment Interest	-	-	-	-	-	-	-	-	364,213	364,213	-	364,213
Total Expenditures	$ 368,966	$ 1,072,532	$ 4,265,256	$ 1,333,998	$ 137,823	$ 384,357	$ 183,903	$ 10,063,716	$ 3,361,479	$ 21,172,000	$ 2,924,921	$ 18,247,079
Total Revenue										$ 21,172,000	$ (1,775,000)	$ 19,397,000
Excess of Revenues or (Deficit)										$ (0)	$ 1,149,921	$ 1,149,921

MEMORANDUM

DATE: April 9, 2021
MEETING OF: April 13, 2021
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 7:** Review Preliminary Budget for Fiscal Year Ending June 30, 2022

BACKGROUND

The Fiscal Year 2021-2022 (FY21-22) budget funds the mission of the Pajaro Valley Water Management Agency (Agency) and provides a projection of finances for the upcoming fiscal year. The budget narrative describes key activities and important assumptions taken into account to develop the budget, including activities related to the Sustainable Groundwater Management Act (SGMA), the implementation of the Basin Management Plan (BMP) Update, Agency operations, and anticipated revenue. The figures contained within the budget are based on actual data, projections, and estimations. The budget is created on the accrual basis to be consistent with the year-end financial statements. On the accrual basis, revenues are recorded as earned and expenditures are recorded when incurred.

DISCUSSION

The budget is a planning and communication tool that contains significant assumptions including but not limited to projecting groundwater extractions and delivered water sales, grant income, and progress on capital project implementation. Capital projects that are listed in the budget include the College Lake Integrated Resources Management Project, the Recycled Water Facility Storage Improvements Project, and the Watsonville Slough Managed Aquifer Recharge and Recovery Projects. The proposed preliminary budget provides funding for stakeholder processes pertaining to developing the 5-year update to the Agency's Groundwater Sustainability Plan Alternative and Adaptive Management Planning for the College Lake Integrated Resources Management Project. The total budgeted revenues are $62,472,000[1]. The total budgeted expenditures are $32,565,900.

Notable revenue related assumptions include:

- Receipt of $387,000 in Management Fees
- Anticipated augmentation charge revenues of $11.5 million, based on approximately 49,000 acre feet of groundwater use
- Anticipated delivered water revenues of $2.1 million based on 4,800 acre-feet of supplemental water deliveries
- Grant revenue of $1.5 million.
- SRF Financing for the Recycled Water Facility Upgrades Project in the amount of $0.2 million.
- Bond Proceeds of $46.5M

Notable expenditure related assumptions include:

- Capital Projects expenditures of approximately $21.2 million as listed below.
    - College Lake Integrated Resources Management Project – $15.0 million
    - Proposed Harkins Slough Recharge Facility Upgrades – $2.1 million
    - Proposed Struve Slough with Recharge Basins – $1.4 million

[1] While the PV Water Board of Directors is holding public hearings and considering proposed ordinances that would adjust the delivered water charge and groundwater augmentation charge, the preliminary budget has been prepared based on existing rates, and will updated, if necessary, following the April 21, 2021 Board meeting..

- Recycled Water Facility Upgrades, SRF Phase III – $2.5 million. This project is partially funded by a Proposition 1 Recycled Water grant and a SRF low interest financial agreement

The Agency Act requires that the Board of Directors adopt a preliminary budget by May 15 of each year. PV Water must then publish a notice that the Board has adopted a preliminary budget and that it is available for public inspection. PV Water must hold a public hearing after a minimum two-week notice period. The Board must adopt a final budget by June 30 of each year.

The recommended timeline for budget adoption this year is as follows:

April 21, 2021	Board considers adoption of the preliminary budget.
April 30, 2021	Staff publishes required notice of availability of the preliminary budget.
May 19, 2021	Board holds public hearing.
June 16, 2020	Board considers adoption of final budget.

FISCAL IMPACT

There is no direct impact; the budget is a planning and communication tool.

STAFF RECOMMENDATION

That the Committee review and consider the Preliminary Budget for FY21-22.

ATTACHMENT

- Draft Preliminary Budget for FY21-22 provided as a stand-alone document that is available on Administration & Finance Committee webpage: https://www.pvwater.org/administration-finance.

MEMORANDUM

DATE: April 9, 2021
MEETING OF: April 13, 2021
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 8:** Consider Engagement of Fedak & Brown LLP for Annual Audit Services for Fiscal Year ending June 30, 2021

BACKGROUND

PV Water issued an Auditing Services Request for Proposals in 2017 following ten years of auditing services with Bartlett Pringle & Wolf. Following a lengthy and competitive interview process, the Board approved an agreement with Fedak & Brown LLP (Fedak & Brown) on April 19, 2017, to conduct the annual audit for fiscal years ending June 30, 2017, and 2018, with optional years through fiscal year ending June 30, 2021. Fedak & Brown has performed well, and staff recommends they conduct an audit of PV Water's financial statements for the fiscal year ending June 30, 2021. In addition, Fedak & Brown will also issue the following:

- Report on internal control related to the financial statements and major programs. The report will describe the scope of testing of internal control and results of their testing of internal control.

- Report on compliance with laws, regulations, and the provision of contract or grant agreements. Fedak & Brown will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a direct and material effect on each major group.

- Schedule of Historical Cash Flows and Rate Coverage

The objective of the audit is the expression of opinions as to whether basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information.

FISCAL IMPACT

The total engagement fees for the fiscal year ending June 30, 2021 will not exceed $24,311 as indicated in engagement letter and described in PV Water's agreement with Fedak & Brown for Financial Auditing Services, fully executed on April 28, 2017.

STAFF RECOMMENDATION

That the Committee makes a recommend that the Board of Directors approve the Engagement Letter with Fedak & Brown for audit services for the fiscal year ending June 30, 2021, and direct staff to engage their services.

ATTACHMENTS

- Engagement Letter from Fedak & Brown dated February 26, 2021

Fedak & Brown LLP
Certified Public Accountants

Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Andy Beck, CPA

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
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UNDERSTANDING OF THE ENGAGEMENT

February 26, 2021

Board of Directors
Pajaro Valley Water Management Agency
36 Brennan Street
Watsonville, California 95076

Dear Mr. Brian Lockwood, General Manager:

We are pleased to confirm our understanding of the services we are to provide the Pajaro Valley Water Management Agency (Agency) for the year ended June 30, 2021. We will audit the financial statements of the business-type activities, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Agency as of and for the year ended June 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Agency's basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to the Agency's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Schedule of the Agency's Proportionate Share of the Net Pension Liability
- Schedule of Pension Plan Contributions
- Schedule of Funding Status – Other Post-Employment Benefits Obligation

We have also been engaged to report on supplementary information other than RSI that accompanies Agency's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- Schedule of Historical Cash Flows and Rate Coverage

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and State Controller's Minimum Audit Requirements for California Special Districts, and will include tests of the accounting records of the Agency and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Agency's financial statements. Our report will be addressed to the Agency's Board of Directors. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, agreements, and grant agreements, noncompliance with which could have a material effect on the basic financial statements as required by Governmental Auditing Standards. The report on internal control and on compliance and other matters will each include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.

If during our audit we become aware the Agency is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the basic financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Audit Procedures—General, continued

Because of the inherent limitations of an audit combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the basic financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

We have advised the Agency of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets). We have offered to perform, as a separate engagement, extended procedures specifically designed to detect fraud and the Agency has declined to engage us to do so at this time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorney(s) as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Agency's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will assist in preparing the financial statements and related notes of the Agency in conformity with U.S. generally accepted accounting principles based on information provided by you. We will also assist in preparing the Agency's Annual State Controller's Report in conformity with the State Controller's Minimum Audit Requirements for California Special Districts. These non-audit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the basic financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, and contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information.

Management Responsibilities, continued

You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the constancy of other information in the electronic site with the original document.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Engagement Administration, Fees, and Other, continued

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase over our original fee estimate.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Fedak & Brown LLP, and constitutes confidential information. However, pursuant to the Agency given by law or regulation, we may be requested to make certain audit documentation available to various government agencies, a federal Agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purpose of quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify the Agency of any such request. If requested, access to such documentation will be provided under the supervision of Fedak & Brown LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these government agencies. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years under California State Law after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our planning procedures in March 2021, our audit fieldwork in approximately April-May 2021 and to issue our reports no later than December 2021. Christopher Brown is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $24,311 (with out-of-pocket expenses not exceeding $1,450 and preparation of the Agency's annual State Controller's Report for $625). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if the Agency's account becomes 30 days or more overdue and may not be resumed until the Agency's account is paid in full. If we elect to terminate our services for nonpayment, our engagement will have been deemed to have been completed upon written notification of termination, even if we have not completed our report. The Agency will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from the Agency's personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with the Agency's management and arrive at a new fee estimate before we incur the additional costs.

Engagement Administration, Fees, and Other, continued

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms of and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

The Agency may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with the Agency regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We appreciate the opportunity to be of service to the Agency and believe this letter accurately summarizes the significant terms of our engagement. If the Agency has any questions, please let us know. If the Agency agrees with the terms of our engagement described in this letter, please sign below and return it to us in the envelope provided. We have enclosed a copy for the Agency's files.

Very truly yours,

Fedak & Brown LLP

RESPONSE:

This letter correctly sets forth the understanding of Pajaro Valley Water Management Agency.

By: _____

Title: _____

Date: _____

MEMORANDUM

DATE: April 9, 2021
MEETING OF: April 13, 2021
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 9:** Consider Amendment #2 to Agreement with Mike Podlech, Aquatic Ecologist, for College Lake Project Fisheries Services, in an amount not to exceed $23,920

INTRODUCTION

The Pajaro Valley Water Management Agency (PV Water) Board of Directors (Board) certified the Final Environmental Impact Report for the College Lake Integrated Resources Management Project (Project) in October 2019, following a 6-month public review and response to comments period. During the same October 2019 meeting, the Board also approved the Project. In support of the Project, staff and consultants have been preparing and submitting necessary permit applications to regulatory agencies, initiating the preparation of various compliance plans, and preparing for a future Ad Hoc Adaptive Management Plan Committee.

BACKGROUND

Throughout much of the Pajaro Valley Groundwater Basin, groundwater levels have declined as a result of long-term groundwater overdraft. Overdraft conditions have resulted in seawater intrusion, groundwater quality degradation, and groundwater storage depletion. The primary purposes of the Project are to help balance the groundwater basin, prevent further seawater intrusion, and meet water supply needs in PV Water's service area by developing College Lake as a water storage and supply source. The Project is located in the City of Watsonville and unincorporated Santa Cruz County. Project components include a weir structure and intake pump station, a water treatment plant, and an approximately 5.5-mile-long pipeline to convey water from the water treatment plant to the City of Watsonville Recycled Water Facility and to PV Water's Coastal Distribution System. On average, the Project would generally supply approximately1,800 to 2,300 acre-feet per year (AFY) of water to growers in the Pajaro Valley. Project construction is estimated to occur over approximately 18 months beginning in 2022.

DISCUSSION

Mike Podlech is an aquatic ecologist who has been responsible for several tasks supporting the Project and the CEQA process. Mr. Podlech's support of the Project to-date has included conducting critical riffle analyses for steelhead, reviewing the Environmental Impact Report, participating in meetings with California Department of Fish and Wildlife (CDFW) and National Marine Fisheries (NMFS) staff, and conducting steelhead field surveys. Mr. Podlech assisted with the water-right protest dismissal term from CDFW, and participated in the State Water Resources Control Board water-right hearing. In addition, he is preparing a Steelhead Monitoring Plan, which is a water-right protest dismissal term from NMFS, and an Invasive Species Plan, which is require by mitigation and part of a water-right protest dismissal, and he is providing input on facility siting and fish passage design.

At the request of staff, Mr. Podlech has prepared the attached scope of work and cost estimate to provide steelhead monitoring surveys for Water Year 2021, provide technical expertise to the Ad Hoc Adaptive Management Plan (AMP) Committee and AMP preparation, and continue to provide expertise to CDFW, NMFS, and PV Water's engineers as the Project design progresses.
Staff propose that the Board authorize this work by approving Amendment #2 to the existing agreement with Mr. Podlech for College Lake Fisheries Support Services.

FISCAL IMPACT

The financial impact of Amendment #2 is not to exceed $23,920. The original agreement, which when into effect on September 3, 2019, was not to exceed $25,000. The Board approved Amendment #1, in an amount not to exceed $15,120, on June 17, 2021. The total not to exceed amount, including Amendment #2, would be $64,040.

STAFF RECOMMENDATION

The Committee recommend that the Board approve Amendment #2.

ATTACHMENTS

- Agreement with Mike Podlech for College Lake Fisheries Support Services
- Amendment #1
- Amendment #2

PAJARO VALLEY WATER MANAGEMENT AGENCY
36 BRENNAN STREET • WATSONVILLE, CA 95076
TEL: 831) 722-9292 FAX: 831) 722-3139
email: info@pvwater.org • www.pvwater.org

August 28, 2019

Mike Podlech
Aquatic Ecologist
4474 Cortez Drive
Soquel, CA 95073

Re: Agreement for Consultant Services

This letter sets forth the agreement between **Pajaro Valley Water Management Agency** ("PV Water") and **Mike Podlech**, ("Consultant") for professional services related to:

COLLEGE LAKE FISHERIES SUPPORT

1. **Scope of Services**: PV Water hereby engages Consultant for the services as more specifically described in Scope of Work attached hereto as Exhibit A, and made a part of, this letter agreement ("Agreement").

2. **Term of Agreement:** The term of this Agreement shall be effective on September 3, 2019 and end on June 30, 2020.

3. **Compensation:** The fee for services and fee estimate is attached hereto Exhibit A, and made a part hereof.

4. **Payment:** Payment for services rendered under this Agreement shall not exceed Twenty Five Thousand Dollars (**$25,000**).

5. **Method of Payment:** Consultant shall prepare and submit to PV Water a detailed invoice for the services described herein. PV Water shall pay the amount of the invoice within thirty (30) days after the receipt of the invoice, subject to a finding by PV Water that work performed has been satisfactory and that payment is for the work specified herein.

6. **Indemnification**: Consultant agrees to indemnify, defend, and hold harmless PV Water, its directors, officers and employees from and against any and all claims, demands, actions, damages, or expenses, (including attorney's fees and costs) arising from the negligence, recklessness, or willful misconduct of the Consultant, Consultant's employees or agents in any way related to the obligations or in the performance of design professional services

under this Agreement, except where caused by the sole or active negligence, or willful misconduct of PV Water. The costs to defend charged to the Consultant shall not exceed the Consultant's proportionate percentage of fault per Civil Code section 2782.8.

7. **Insurance Requirements:** Consultant agrees to procure and maintain the insurance coverages and limits as required by PV Water prior to the commencement of work, as specified in Exhibit "B".

8. **Amendment:** Except as otherwise provided in this Agreement, neither this Agreement nor any provision hereof may be waived, modified, amended, or discharged, or terminated except by an instrument in writing signed by the Parties, and then only to the extent set forth in such writing.

9. **Termination:** PV Water may terminate this Agreement at any time, with or without cause, in its sole discretion, by giving written notice to Consultant at least thirty days (30) prior to such termination. Upon notice of termination, Consultant will immediately take action not to incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. PV Water's only obligation to the Consultant will be just and equitable payment for services authorized by, and received to the satisfaction of PV Water up to and including the effective date of termination. All finished or unfinished work or documents procured or produced under the Agreement will become property of PV Water upon the termination date.

10. **Dispute Resolution:** The Parties agree to act in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. If no resolution is achieved, and if the parties mutually agree, then prior to pursuing formal legal action, the parties shall make a good faith effort to resolve the dispute by non-binding mediation. Notwithstanding the foregoing provisions, nothing contained in this Agreement shall impair the parties' right to pursue any and all legal remedies.

11. **Entire Agreement:** This Agreement, together with Exhibits and/or attachments and any agreements provided for herein, constitute the entire understanding between the Parties with respect to the matters set forth herein, and they supersede all prior or contemporaneous understandings or agreements between the Parties with respect to the subject matter hereof, whether oral or written.

12. **Consultant's Records:** Consultant shall maintain accurate accounting records and other written documentation pertaining to the costs incurred related to this Agreement. Such records and documentation shall be kept available at Consultant's office during the period of this Agreement, and after the term of this Agreement for a period of three years from the date of the final payment for Consultant's services.

13. **Independent Contractor:** In the performance of its work, it is expressly understood that Consultant, including Consultant's employees and agents, is an independent contractor solely responsible for its acts and omissions, and Consultant shall not be considered an employee of PV Water for any purpose.

14. **Consultant Not an Agent:** Except as PV Water may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of PV Water in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind PV Water to any obligation whatsoever.

15. **Construction:** Consultant acknowledges fully reviewing this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

16. **Severability:** If any provision of this Agreement is invalid, illegal or unenforceable, such provision shall be deemed to be served or deleted from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

17. **Counterparts:** This Agreement may be executed in counterparts, which, together, shall constitute one and the same instrument. Electronic, facsimile and scanned pdf signatures and copies of this Agreement shall be accepted as originals.

Sincerely yours,
Pajaro Valley Water Management Agency

By: _____
Brian Lockwood, General Manager

"CONSULTANT"

The undersigned understands and agrees to the terms and conditions set forth in this Agreement and is duly authorized to enter into this Agreement.

Date: Sept. 3, 2019

By: _____
Mike Podlech, Aquatic Ecologist

EXHIBIT A

COLLEGE LAKE FISHERIES SUPPORT SERVICES

SCOPE OF WORK

Task 1: College Lake Water Quality Monitoring Pan

In response to a water right protest dismissal term filed by the California Department of Fish and Wildlife (CDFW), a detailed College Lake water quality plan with "appropriate water quality treatment measures, parameters, and water quality monitoring methodologies" will be prepared for approval by CDFW. The plan will also incorporate water quality monitoring components aimed at complying with DEIR Mitigation Measure HYD-2a (Water Quality Adaptive Management for College Lake). The plan will be founded on PV Water's existing water quality monitoring program and expand upon it, as appropriate, to provide appropriate spatial and temporal scales for monitoring water quality conditions and trends to ensure continued protection and compliance with applicable water quality standards. In addition to establishing monitoring protocols for parameters relevant to fish and wildlife resources (e.g., water temperature, dissolved oxygen, turbidity, contaminants, etc.), the plan will establish monitoring procedures appropriate for identifying conditions (e.g., nutrient concentrations) that may contribute to potential cyanobacteria blooms. In addition to providing detailed descriptions of water quality parameters and analytical methodologies, sampling protocols and locations, frequency of sampling, and reporting procedures, the plan will also include recommendations for integrating the water quality pan into the Adaptive Management Plan to be developed for College Lake.

This scope of work assumes staff from PV Water and ESA will provide input on plan preparation.

Deliverables: This scope of work includes the preparation of one administrative draft plan for review and joint comments by PV Water and Carollo, one draft plan for review and comment by CDFW, and one final plan for submittal with the Notification of Lake or Streambed Alteration.

Schedule: September 2019

Task 2: College Lake Steelhead Monitoring Program

In preparation of anticipated fisheries monitoring requirements for the College Lake project, baseline steelhead population data collection will be initiated in 2019. The 2019 surveys will consist of basic habitat quantifications and fish sampling at one (1) sampling site on Casserly Creek, upstream of College Lake. This site was previously sampled in 2016 and 2017 as part of the County of Santa Cruz juvenile steelhead monitoring program. Fish surveys will consist of two- or three-pass depletion electrofishing within an approximately 100-300 ft reach of Casserly Creek near the Mt. Madonna Road bridge crossing. Passive Integrated Transponder (PIT) tagging of a subset of juvenile steelhead may be conducted. Habitat data will include average widths and depths of habitat units, maximum/residual pool depths, qualitative cover ratings, substrate types, and riparian cover. Basic water quality data (temperature, DO, conductivity) will be collected at the time of the fish surveys. Ongoing PV Water Casserly Creek stream gaging will be used to determine streamflow. Habitat and fish population data will be synthesized and analyzed consistent with County-wide fish

survey efforts (e.g., juvenile steelhead age classes and densities, pool depths and cover availability, etc.).

Deliverables: This scope of work includes the preparation of one administrative draft report summarizing the survey findings for review by PV Water and the City of Watsonville[1], and one final plan for submittal to regulatory agencies.

Schedule: September-October 2019

Task 3: As-Needed Fisheries Support

Mr. Podlech is currently contracted to ESA/Carollo for CEQA and permitting support related to the College Lake Project. Budget remains in a number of tasks under this contract, and applicable work will continue to be billed to ESA/Carollo. However, Mr. Podlech is also tasked to support several other project-related efforts (e.g., water rights support, hydrologic modelling/analysis support, fish ladder design support, etc.) that are not included in the existing ESA/Carollo subcontract. Under Task 3 of this scope of work, Mr. Podlech will provide fisheries support for these tasks under an as-needed basis and as directed by PV Water.

Deliverables: As directed by PV Water.

Schedule: September 2019 – August 2020

BUDGET

			Hours	Rate	Cost
1	Admin Draft Plan		55	$135	$7,425.00
	Draft Plan		8	$135	$1,080.00
	Final Plan		12	$135	$1,620.00
		TASK 1 Subtotal			**$10,125.00**
2	Field Surveys		6	$135	$810.00
	Field Assistant		6	$100	$600.00
	Summary Report		6	$135	$810.00
	Equipment				$100.00
		TASK 2 Subtotal			**$2,320.00**
3	As-Needed Support		93	$135	$12,555.00
		TASK 3 Subtotal			**$12,555.00**
		TOTAL NOT-TO-EXCEED			**$25,000.00**

[1] A similar fisheries monitoring program is being conducted in the Corralitos Creek watershed for the City of Watsonville. Results of both programs will be summarized in one joint report.

EXHIBIT "B"

Insurance Requirements

Consultant shall procure and maintain insurance as follows:

1. Commercial General Liability Insurance. Commercial general liability insurance, including products and completed operations, property damage, bodily injury, personal and advertising injury with limits of not less than $1,000,000 each occurrence and $1,000,000 aggregate.

2. Automobile Liability Insurance. Automobile liability insurance covering automobile bodily injury and property damage, including all owned (if any), hired and non-owned autos, with limits of not less than $1,000,000 each accident. If Consultant acquires any owned vehicles, Consultant shall provide insurance as above.

3. Professional Liability Insurance. Limits of liability in amounts not less than $1,000,000 per occurrence or claim and $1,000,000 aggregate, insuring Consultant and its employees against liabilities arising out of or in connection with the negligent acts, errors, or omissions of any of the foregoing in connection with the carrying out of their professional responsibilities relating to this Agreement. Consultant shall renew continuous coverage or extend the reporting period, to the extent available, by endorsement or otherwise, for claims five (5) years from the date this Agreement is terminated. Such professional liability policies shall include coverage for liability assumed by the Consultant under this Agreement for losses arising out of Consultant's negligence.

4. Workers' Compensation and Employer's Liability Insurance. Worker's Compensation as required by the Labor Code of the State of California and Employer's Liability Insurance for all employees in workplaces involved in this Agreement. Employer's liability insurance in the amount of, at least, $1,000,000 per accident for bodily injury or disease. The Certificate of Insurance shall include waiver of subrogation endorsement in favor of PV Water. ***This requirement may be waived if Consultant provides a sworn affidavit to PV Water that Consultant has no employees.***

5. Other Requirements.

    a. Additional Insured Endorsement. The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions: **The Pajaro Valley Water Management Agency, its directors, officers, employees, and authorized volunteers are to be additional insured**. The coverage shall contain no special limitations on the scope of protection afforded to PV Water, its directors, officers, employees, or authorized volunteers.

b. Primary Insurance. For any claims related to this Agreement, Consultant's insurance shall be primary insurance as respects PV Water, its directors, officers, employees, and authorized volunteers, individually and collectively. Any insurance, self-insurance, or other coverage maintained by PV Water, its directors, officers, employees, or authorized volunteers shall be in excess of Consultant's insurance and shall not contribute to it.

c. Cancellation. The policies specified above are to state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to PV Water.

d. Changes. If any change is made in the insurance carrier, scope of coverage or retroactive date of professional liability coverage required under this Agreement, Consultant shall notify the PV Water within three (3) working days.

e. Evidence of Insurance. Prior to execution of this Agreement, Consultant shall file with PV Water, on forms acceptable to PV Water, certificate(s) of insurance and additional insured endorsements, as specified above.

f. Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the PV Water. At the option of PV Water, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.

g. Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-VII or equivalent or as otherwise approved by PVWATER.

h. Special Risks or Circumstances.
PV Water reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

PAJARO VALLEY WATER MANAGEMENT AGENCY
36 BRENNAN STREET · WATSONVILLE, CA 95076
(831) 722-9292 · FAX: (831) 722-3139
www.pvwater.org

AGREEMENT AMENDMENT #1

Original agreement entered into the 3rd day of September, 2019 by and between the Pajaro Valley Water Management Agency and Mike Podlech for:

COLLEGE LAKE FISHERIES SUPPORT

In an original amount of Twenty Five Thousand Dollars ($25,000) with the termination date of June 30, 2020 shall now be amended as follows:

1) Supplementing the original scope of work to add preparation of 1) a steelhead monitoring plan and 2) an invasive species management plan, in an amount not to exceed $15,120, refer exhibit "A" attached hereto and made a part hereof
2) Extending the term end date through June 30, 2021
3) Payment for services rendered (including new amended amount of $15,120) to not exceed $40,120

The Parties' authorized representatives shall have the authority to extend this term by written amendment to this Agreement.

All other terms and conditions to remain the same.

Pajaro Valley Water Management Agency
BY:

Brian Lockwood, General Manager

Date: 6-22-2020

Mike Podlech
BY:

Mike Podlech, Aquatic Ecologist

Date: 6/22/2020

EXHIBIT A

Mike Podlech
Aquatic Ecologist
4474 Cortez Drive
Soquel, CA 95073
(831) 239-6750
mpodlech@sbcglobal.net

June 4, 2020

Brian Lockwood
Pajaro Valley Water Management Agency
36 Brennan St.
Watsonville, CA 95076

Subject: *Proposal – College Lake Fisheries Support (Amendment 1)*

Brian,

I am pleased to provide you with the attached contract amendment scope of work, schedule, and cost estimate for the preparation of (1) a steelhead monitoring plan and (2) an invasive species management plan, required by the National Marine Fisheries Service and California Department of Fish and Wildlife, respectively, as water rights protest dismissal terms for the *College Lake Integrated Resources Management Project*. This scope of work and cost estimate is structured as a proposed contract amendment (i.e., additional task) to the existing *College Lake Fisheries Support* contract, but it can also serve as a stand-alone project and contract if you prefer.

Please let me know if you have any questions.

Sincerely,

Mike Podlech,
Aquatic Ecologist

COLLEGE LAKE FISHERIES SUPPORT SERVICES

SCOPE OF WORK (AMENDMENT 1)

Task 4: Steelhead Monitoring and Invasive Species Management Plans

To comply with a water right protest dismissal term required by the National Marine Fisheries Service (NMFS), a College Lake Steelhead Monitoring Plan will be prepared. In addition, a College Lake Invasive Species Management Plan will be prepared to comply with a water right protest dismissal term required by California Department of Fish and Wildlife (CDFW). Both plans will include clearly defined goals and objectives, methodologies, sampling protocols and locations, frequency of sampling, and reporting procedures. The steelhead monitoring plan will also define approaches for data integration into regional steelhead monitoring and recovery efforts (e.g., City of Watsonville fish surveys; County of Santa Cruz database; NMFS Southwest Science Center regional tagging data). The invasive species management plan will include provisions for periodic effectiveness evaluations to determine if continued management is warranted. Both plans will also clearly define their relationship to the Adaptive Management Plan (AMP) being developed for College Lake in terms of integrating findings into the AMP and being adaptively managed by the AMP.

Deliverables: This scope of work includes the preparation of administrative drafts of each plan for review and comments by PV Water, drafts of each plan for review and comment by NMFS and CDFW, and finals of each plan for submittal to the State Water Board for inclusion in the water right permit.

Schedule: June-December 2020

BUDGET

		Hours	Rate	Cost
4	Admin Draft Plans	80	$135	$10,800.00
	Draft Plans	16	$135	$2,160.00
	Final Plans	16	$135	$2,160.00
	TASK 4 Subtotal			**$15,120.00**

AMENDMENT 1 NOT-TO-EXCEED **$15,120.00**

Mike Podlech
Aquatic Ecologist
4474 Cortez Drive
Soquel, CA 95073
(831) 239-6750
mpodlech@sbcglobal.net

April 9, 2021

Brian Lockwood
Pajaro Valley Water Management Agency
36 Brennan St.
Watsonville, CA 95076

Subject: *Proposal – College Lake Fisheries Support (Amendment 2) – Revised*

Brian,

I am pleased to provide you with the attached revised contract amendment scope of work, schedule, and cost estimate for (1) conducting the 2021 College Lake Monitoring Program (existing Task 2); (2) ongoing as-needed support for project permitting, design, and related tasks (existing Task 3); and (3) Adaptive Management Plan (AMP) committee participation and development support (new Task 5).

Please let me know if you have any questions.

Sincerely,

Mike Podlech,
Aquatic Ecologist

COLLEGE LAKE FISHERIES SUPPORT SERVICES

SCOPE OF WORK (AMENDMENT 2)

Task 2 (existing): College Lake Steelhead Monitoring Program

In preparation of anticipated fisheries monitoring requirements for the College Lake project, baseline steelhead population data collection was initiated in 2019 and continued in 2020. This amendment proposes to conduct the 2021 surveys.

As in 2019 and 2020, the 2021 surveys will consist of basic habitat quantifications and fish sampling at one (1) sampling site on Casserly Creek, upstream of College Lake. Fish surveys will consist of two- or three-pass depletion electrofishing within an approximately 100-300 ft reach of Casserly Creek near the Mt. Madonna Road bridge crossing. Passive Integrated Transponder (PIT) tagging of a subset of juvenile steelhead may be conducted. Habitat data will include average widths and depths of habitat units, maximum/residual pool depths, qualitative cover ratings, substrate types, and riparian cover. Basic water quality data (temperature, DO, conductivity) will be collected at the time of the fish surveys. Ongoing PV Water Casserly Creek stream gaging will be used to determine streamflow. Habitat and fish population data will be synthesized and analyzed consistent with County-wide fish survey efforts (e.g., juvenile steelhead age classes and densities, pool depths and cover availability, etc.).

Deliverables: This scope of work includes the preparation of one administrative draft report summarizing the survey findings for review by PV Water and the City of Watsonville[1], and one final plan for submittal to regulatory agencies.

Schedule: September 1, 2021 – June 30, 2022

Task 3 (existing): As-Needed Fisheries Support

Under Task 3, Mr. Podlech will continue to provide support for ongoing and potential future project-related efforts (e.g., project permitting, weir and fish ladder design, etc.). Fisheries support for these tasks will be provided on an as-needed basis and as directed by PV Water.

Deliverables: As directed by PV Water

Schedule: April 1, 2021 – June 30, 2022

Task 5 (new): Adaptive Management Plan

Under this new task, Mr. Podlech will participate in Adaptive Management Plan (AMP) Committee meetings and support PV Water and ESA during preparation for meetings, as needed. Mr. Podlech

[1] A similar fisheries monitoring program is being conducted in the Corralitos Creek watershed for the City of Watsonville. Results of both programs will be summarized in one joint report.

will work closely with ESA staff to support the development of the fisheries, water quality, and invasive species management components of the AMP.

Deliverables: Attendance at up to four committee meetings, contributions to plan-related documents prepared by PV Water/ESA, attendance at related site visits, and stakeholder interactions on an as-needed basis and as directed by PV Water.

Schedule: April 1, 2021 – June 30, 2022

BUDGET

Task			Hours	Rate	Cost
2	Field Surveys		6	$135	$810.00
	Field Assistant		6	$100	$600.00
	Summary Report		6	$135	$810.00
	Equipment				$100.00
		TASK 2 Subtotal			**$2,320.00**
3	As-Needed Support		100	$135	$13,500.00
		TASK 3 Subtotal			**$13,500.00**
5	Meetings (attendance & prep)		20	$135	$2,700.00
	Plan Developmemnt Support		40	$135	$5,400.00
		TASK 5 Subtotal			**$8,100.00**
		TOTAL NOT-TO-EXCEED			**$23,920.00**

MEMORANDUM

DATE: April 9, 2021
MEETING OF: April 13, 2021
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 10:** Consider Agreement with Mid Coast Engineers to Conduct a Survey of Monitoring Well PV20, in an amount not to exceed $1,340

INTRODUCTION

In 2015, the Pajaro Valley Water Management Agency (PV Water) Board of Directors (Board) approved an agreement to construct four dual-completion monitoring wells located at 36 Brennan Street, Watsonville, CA. In the time since project completion, staff have been monitoring water levels and collecting water quality samples at the wells collectively known as PV20. At the time of construction, staff estimated the elevation of the wells using Google Earth.

In order to include PV20 in state reporting programs such as the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, and the Sustainable Groundwater Management Act (SGMA), the elevation of PV20 needs to have the precision provided by a professional survey.

Staff have requested a cost estimate from local surveying firm, Mid Coast Engineers, for this service. Mid Coast Engineers have been supporting PV Water on numerous, recent projects including the Coastal Distribution System F-Pipeline Expansion Project, and the College Lake Integrated Resources Management Project.

FISCAL IMPACT

The financial impact of the agreement would be $1,340.

STAFF RECOMMENDATION

The Committee recommend that the Board approve the agreement with Mid Coast Engineers to survey PV20 in an amount not to exceed $1,340.

ATTACHMENTS

- Agreement

PAJARO VALLEY WATER MANAGEMENT AGENCY
36 BRENNAN STREET • WATSONVILLE, CA 95076
TEL: 831) 722-9292 FAX: 831) 722-3139
email: info@pvwater.org • www.pvwater.org

April 9, 2021

Mid Coast Engineers
Attn: Jeff Nielsen
70 Penny Lane, Suite A
Watsonville, CA 95076
Email: jsn@midcoastengineers.com

Re: Agreement for Consultant Services

This letter sets forth the agreement between **Pajaro Valley Water Management Agency** ("PV Water") and **Mid Coast Engineers** ("Consultant") for professional services related to:

Surveying Monitoring Well PV20

1. **Scope of Services**: PV Water hereby engages Consultant for the services as more specifically described in Scope of Work attached hereto as Exhibit A, and made a part of, this letter agreement ("Agreement").

2. **Term of Agreement:** The term of this Agreement shall be effective on **April 22, 2021** and terminate on **June 30, 2021**. The Parties' authorized representatives shall have the authority to extend this term and/or increase payment amount by written amendment to this Agreement.

3. **Compensation:** The fee for services and fee estimate is attached hereto Exhibit A, and made a part hereof.

4. **Maximum Payment:** Payment for services rendered under this Agreement shall not exceed **One Thousand Three Hundred Forty Dollars** (**$1, 340.00**).

5. **Method of Payment:** Consultant shall prepare and submit to PV Water a detailed invoice for the services described herein. PV Water shall pay the amount of the invoice within thirty (30) days after the receipt of the invoice, subject to a finding by PV Water that work performed has been satisfactory and that payment is for the work specified herein.

6. **Indemnification**: Consultant agrees to indemnify, defend, and hold harmless PV Water, its directors, officers and employees from and against any and all claims, demands, actions, damages, or expenses, (including attorney's fees and costs) arising from the negligence,

recklessness, or willful misconduct of the Consultant, Consultant's employees or agents in any way related to the obligations or in the performance of design professional services under this Agreement, except where caused by the sole or active negligence, or willful misconduct of PV Water. The costs to defend charged to the Consultant shall not exceed the Consultant's proportionate percentage of fault per Civil Code section 2782.8.

7. **Insurance Requirements:** Consultant agrees to procure and maintain the insurance coverages and limits as required by PV Water prior to the commencement of work, as specified in Exhibit "B".

8. **Amendment:** Except as otherwise provided in this Agreement, neither this Agreement nor any provision hereof may be waived, modified, amended, or discharged, or terminated except by an instrument in writing signed by the Parties, and then only to the extent set forth in such writing.

9. **Termination:** PV Water may terminate this Agreement at any time, with or without cause, in its sole discretion, by giving written notice to Consultant at least thirty days (30) prior to such termination. Upon notice of termination, Consultant will immediately take action not to incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. PV Water's only obligation to the Consultant will be just and equitable payment for services authorized by, and received to the satisfaction of PV Water up to and including the effective date of termination. All finished or unfinished work or documents procured or produced under the Agreement will become property of PV Water upon the termination date.

10. **Dispute Resolution:** The Parties agree to act in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. If no resolution is achieved, and if the parties mutually agree, then prior to pursuing formal legal action, the parties shall make a good faith effort to resolve the dispute by non-binding mediation. Notwithstanding the foregoing provisions, nothing contained in this Agreement shall impair the parties' right to pursue any and all legal remedies.

11. **Entire Agreement:** This Agreement, together with Exhibits and/or attachments and any agreements provided for herein, constitute the entire understanding between the Parties with respect to the matters set forth herein, and they supersede all prior or contemporaneous understandings or agreements between the Parties with respect to the subject matter hereof, whether oral or written.

12. **Consultant's Records:** Consultant shall maintain accurate accounting records and other written documentation pertaining to the costs incurred related to this Agreement. Such records and documentation shall be kept available at Consultant's office during the period of this Agreement, and after the term of this Agreement for a period of three years from the date of the final payment for Consultant's services.

13. **Independent Contractor:** In the performance of its work, it is expressly understood that Consultant, including Consultant's employees and agents, is an independent contractor

solely responsible for its acts and omissions, and Consultant shall not be considered an employee of PV Water for any purpose.

14. **Consultant Not an Agent:** Except as PV Water may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of PV Water in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind PV Water to any obligation whatsoever.

15. **Construction:** Consultant acknowledges fully reviewing this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

16. **Severability:** If any provision of this Agreement is invalid, illegal or unenforceable, such provision shall be deemed to be served or deleted from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

17. **Counterparts:** This Agreement may be executed in counterparts, which, together, shall constitute one and the same instrument. Electronic, facsimile and scanned pdf signatures and copies of this Agreement shall be accepted as originals.

Sincerely yours,
Pajaro Valley Water Management Agency

By: _____
Brian Lockwood, General Manager

Date: _____

"CONSULTANT"

The undersigned understands and agrees to the terms and conditions set forth in this Agreement and is duly authorized to enter into this Agreement.

Mid Coast Engineers

By: _____
Jeff S. Nielsen

Date: _____

Mid Coast Engineers
Civil Engineers & Land Surveyors
70 Penny Lane, Suite A
Watsonville, CA 95076
Main (831) 724-2580 Fax (831) 539-2043

Jeff S. Nielsen
Principal Land Surveyor
jsn@midcoastengineers.com

April 6, 2021

Brian Lockwood
Pajaro Valley Water Management Agency
36 Brennan Street
Watsonville,CA 95076

Re: **Monitoring Wells/Boreholes – Survey at 36 Brennan Street**

Dear Brian,

As you requested, the following is our proposal for surveying four (4) monitoring wells and two (2) boring locations at 36 Brennan Street:

Deliverables:

1. Excel and .txt files:
    a. Northings and Eastings
    b. Latitude and Longitude in NAD 83 datum
    c. Elevations for TOB and TOC
2. Simple AutoCAD sketch of well and boring locations (PDF format)

TOTAL COST: $1,340.00

Note that we will be conducting an independent survey using NGS GPS control points in the vicinity and a local benchmark.

Please let me know if you have questions or need additional details.

Best Regards,

Jeff S. Nielsen

EXHIBIT "B"

Insurance Requirements

Consultant shall procure and maintain insurance as follows:

1. Commercial General Liability Insurance. Commercial general liability insurance, including products and completed operations, property damage, bodily injury, personal and advertising injury with limits of not less than $1,000,000 each occurrence and $1,000,000 aggregate.

2. Automobile Liability Insurance. Automobile liability insurance covering automobile bodily injury and property damage, including all owned (if any), hired and non-owned autos, with limits of not less than $1,000,000 each accident. If Consultant acquires any owned vehicles, Consultant shall provide insurance as above.

3. Professional Liability Insurance. Limits of liability in amounts not less than $1,000,000 per occurrence or claim and $1,000,000 aggregate, insuring Consultant and its employees against liabilities arising out of or in connection with the negligent acts, errors, or omissions of any of the foregoing in connection with the carrying out of their professional responsibilities relating to this Agreement. Consultant shall renew continuous coverage or extend the reporting period, to the extent available, by endorsement or otherwise, for claims five (5) years from the date this Agreement is terminated.

4. Workers' Compensation and Employer's Liability Insurance. Worker's Compensation as required by the Labor Code of the State of California and Employer's Liability Insurance for all employees in workplaces involved in this Agreement. Employer's liability insurance in the amount of, at least, $1,000,000 per accident for bodily injury or disease. The Certificate of Insurance shall include waiver of subrogation endorsement in favor of PV Water.

5. Other Requirements.

    a. Additional Insured Endorsement. The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions: **The Pajaro Valley Water Management Agency, its directors, officers, employees, and authorized volunteers are to be additional insured**. The coverage shall contain no special limitations on the scope of protection afforded to PV Water, its directors, officers, employees, or authorized volunteers.

    b. Primary Insurance. For any claims related to this Agreement, Consultant's insurance shall be primary insurance as respects PV Water, its directors, officers,

employees, and authorized volunteers, individually and collectively. Any insurance, self-insurance, or other coverage maintained by PV Water, its directors, officers, employees, or authorized volunteers shall be in excess of Consultant's insurance and shall not contribute to it.

c. Cancellation. The policies specified above are to state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to PV Water.

d. Changes. If any change is made in the insurance carrier, scope of coverage or retroactive date of professional liability coverage required under this Agreement, Consultant shall notify the PV Water within three (3) working days.

e. Evidence of Insurance. Prior to execution of this Agreement, Consultant shall file with PV Water, on forms acceptable to PV Water, certificate(s) of insurance and additional insured endorsements, as specified above.

f. Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the PV Water. At the option of PV Water, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.

g. Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-VII or equivalent or as otherwise approved by PV Water.

h. Special Risks or Circumstances.
PV Water reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

FY2020-21 CONTRACT COMMITMENTS: Quarterly Activity for time period: January 1, 2021 - March 31, 2021

VENDOR	PROJECT	TERM START DATE	TERM END DATE	CONTRACT AMOUNT NOT TO EXCEED	AMOUNT PAID THROUGH 3/31/2021	AMOUNT AVAILABLE
Balance Hydrologics	Watsonville Slough Monitoring-WY2020	12/19/19	06/30/21	68,311	46,303	22,008
Balance Hydrologics	Watsonville Slough Monitoring-WY2021	11/19/20	06/30/22	63,100	14,463	48,637
Carollo Engineers	BMP Implementation Program Management Services	01/18/17	12/31/21	6,463,226	5,728,720	734,506
Carollo Engineers	RWF Disk Filter Upgrade Project: Design Modifications, Bid Period Services, & Engineering Services during Construction	12/20/18	09/30/20	289,700	284,684	5,016
Carollo Engineers	College Lake IRMP: Design & Bid Period Services	08/20/20	06/30/22	2,785,739	650,446	2,135,293
Carollo Engineers	UV Capacity Evaluation & Expansion Cost Analysis	12/15/20	06/30/21	19,500	0	19,500
cbec, inc. eco engineering	College Lake IRM Project: Fish Passage Design and Hydraulic Design	05/23/19	12/31/20	95,448	83,449	11,999
cbec, inc. eco engineering	College Lake Hydrologic Monitoring Services, WY2020	12/19/19	06/30/21	85,224	57,249	27,975
cbec, inc. eco engineering	College Lake Hydrologic Monitoring Services, WY2021	11/19/20	06/30/22	128,425	18,754	109,671
cbec, inc. eco engineering	College Lake Weir Fish Passage Design Consultation & Modeling Services	10/22/20	12/31/21	48,676	0	48,676
Contractor Compliance and Monitoring, Inc.	CDS F-Pipeline Expansion Project: Labor Compliance Services	12/19/19	06/30/21	18,600	16,275	2,325
Covello, A Psomas Company	RWF Disk Filter Upgrade Project: Construction Management and Inspection Services	02/21/19	12/31/20	382,200	270,714	111,486
Covello, A Psomas Company	CDS F-Pipeline Expansion Project: Construction Management Services	12/19/19	06/30/21	455,350	185,232	270,118
eki environment & water, Inc.	Harkins Slough Recharge Facility Improvements: Preliminary Modeling Evaluation of Alternative	08/01/19	07/31/21	91,500	66,968	24,532
eki environment & water, Inc.	College Lake IRMP: Engineering Support Services	07/20/20	06/30/21	25,000	9,214	15,786
ESA Water	College Lake IRMP: Enviroment Support Services	10/22/20	12/31/21	349,758	29,686	320,072
Jacobs Engineering Group, Inc.	CDS F-Pipeline Expansion Project: Engineering Services During Construction	12/19/19	06/30/21	124,252	81,401	42,851
Jacobs Engineering Group, Inc.	College Lake IRMP: Design & Bid Period Services	08/20/20	06/30/22	1,390,025	189,944	1,200,081
Kittleson Environmental Consulting	College Lake Avian Survey Services, WY2020	01/01/20	12/30/20	20,806	10,328	10,478
Kittleson Environmental Consulting	College Lake Bird Surveys	01/01/21	12/30/21	19,100	0	19,100
Maggiora Bros Drilling, Inc.	Telemetry Grant Construction	01/02/20	06/30/21	30,420	12,168	18,252
Mid Coast Engineers	College Lake Property Description & Plats	11/01/20	06/30/21	25,000	23,435	1,565
Mid Coast Engineers	CDS F-Pipeline Expansion Project: Surveys and Mapping Services-Amendment #4	11/19/20	01/31/21	5,500	5,500	0
Montgomery & Associates	BMP - Hydrologic & Facilitation Services	07/23/20	06/30/22	576,056	170,761	405,295
Pacific Infrastructure Corporation	RWF Disk Filter Upgrade Project: Construction Contractor	04/15/19	TBD	2,570,310	2,526,158	44,152
United Business Bank - P.I.C. Retention	RWF Disk Filter Upgrade Project: Retention Holder	04/15/19	TBD	NA	132,956	0
Mike Podlech, Aquatic Ecologist	College Lake Fisheries & Planning Support	09/03/19	06/30/21	40,120	29,185	10,935
Smith and Associates	Real Property Appraisals for College Lake & Slough Project Areas	10/22/20	12/31/21	100,000	22,000	78,000
SWCA Environmental Consultants	CDS F-Pipeline Expansion Project: Environmental Services during Construction	12/19/19	06/30/21	68,198	28,680	39,518
SWCA Environmental Consultants	Telemetry Grant Nesting Bird Surveys	02/03/20	06/30/21	10,000	1,110	8,890

FY2020-21 CONTRACT COMMITMENTS: Quarterly Activity for time period: January 1, 2021 - March 31, 2021

VENDOR	PROJECT	TERM START DATE	TERM END DATE	CONTRACT AMOUNT NOT TO EXCEED	AMOUNT PAID THROUGH 3/31/2021	AMOUNT AVAILABLE
	SERVICE					
Bartlett, Pringle & Wolf, LLP	Accountings Services	07/01/17	06/30/21	25,000	7,613	17,387
Ed Bogner Mechanical, Inc	Preventative Maintenance Service	12/01/20	12/31/23	5,000	0	5,000
Fedak & Brown, LLP	Financial Auditing Services	05/01/17	06/30/21	23,829	23,812	17
Feeney, Martin	Hydrogeologic Professional Services	07/01/18	06/30/21	25,000	8,336	16,664
Flores, Beatriz	Translation Services	07/01/16	06/30/22	20,000	6,215	13,785
Gutierrez Consultants	Grant Support Services	01/01/18	12/31/21	162,000	92,369	69,631
Gutierrez Consultants	IRWM Drought Funding Admin	01/21/15	12/31/21	158,000	136,162	21,838
Karas Technical Services	Graphic Design Services	07/15/20	06/30/22	25,000	1,570	23,430
Miller Maxfield Inc.	Public Outreach & Engagement Support Services	07/15/20	06/30/21	25,000	806	24,194
NHA Advisors	Continuing Disclosure and CDIAC Reporting Compliance Services	01/01/19	06/30/23	20,000	12,000	8,000
NHA Advisors	Financial Consulting Services	11/01/20	06/30/21	10,000	0	10,000
Norris Associates	Misc Project Planning & Preliminary Eng. Services	10/26/15	06/30/22	25,000	11,794	13,207
Platts, Belinda	Consultant Water Quality Ag Prod	10/15/19	06/30/21	20,000	17,138	2,863
Regional Governmental Services Authority	Human Resources Management Services	09/16/19	06/30/21	20,000	6,054	13,946
Resource Conservation SC County (RCD)	BMP Agricultural Water Conservation Program Technical Assistance	01/01/19	12/31/20	399,465	389,300	10,165
Resource Conservation SC County (RCD)	BMP Agricultural Water Conservation Program Technical Assistance	01/07/21	12/31/23	946,671	0	946,671
Tree Top Web Design	Web Design Services	11/07/17	06/30/21	25,000	15,000	10,000
U.S. Geological Survey (USGS)	Hydrologic Modeling Update, Data Collection & Analysis for sustainability	07/01/18	10/31/21	553,328	377,994	175,334
ZAG Technical Services	IT Managed Services & Support FY2019-21	07/01/19	06/30/21	100,000	69,246	30,754
TOTAL				$18,937,837	$11,871,191	$7,199,602

Contract Complete
Term Date Expired

Prior Qtr less completed contracts:	10,750,604
Net Change in Amt paid this Qtr:	1,120,587
BR Report:	1,120,587
Difference:	0

PV Water
Quarterly Billing Summary
Calendar Year

Type	2021 Consumption(AF)	2021 Dollar	2020 Consumption(AF)	2020 Dollar
March Billing				
Inside Delivered Water Zone	355.610	$ 120,196.27	277.086	$ 93,655.07
Metered	2746.996	$ 675,761.07	2479.177	$ 609,968.23
Non-Metered (agriculture)	0.000	0.00	0.00	0.00
Delivered	493.009	$ 193,259.38	318.888	$ 125,142.10
Aromas	53.570	$ 13,178.22	49.740	$ 12,236.04
Cal Water	51.790	$ 12,740.34	53.980	$ 13,279.08
City of Watsonville	1106.000	$ 272,076.00	1268.000	$ 311,928.00
Vega Mutual	8.100	$ 1,992.60	8.210	$ 2,019.66
Pajaro/Sunny Mesa	67.780	$ 16,673.88	73.100	$ 17,982.60
Non-Metered (rural residential)	1.250	$ 287.50	0.500	$ 115.00
Subtotal	4,884.10	$ 1,306,165.25	4,528.68	$ 1,186,325.77
			Uncollected Amt a/o 4/30/20	**$ 246,413.73**
			Percent of Uncollected Billing	**20.771%**
June Billing				
Inside Delivered Water Zone			885.04	$ 299,141.85
Metered			7,241.39	$ 1,781,381.68
Non-Metered (agriculture)			212.10	$ 52,175.72
Delivered			1,663.54	$ 652,108.85
Aromas			70.72	$ 17,397.12
Cal Water			59.24	$ 14,573.04
City of Watsonville			1,488.00	$ 366,048.00
Vega Mutual			11.29	$ 2,777.34
Pajaro/Sunny Mesa			82.11	$ 20,199.06
Subtotal			11,713.42	$ 3,205,802.66
Annual Rural Residential Consumption			1,250.50	$ 287,615.00
Subtotal			12,963.92	$ 3,493,417.66
			Uncollected Amt a/o 7/31/20	**$ 1,172,744.93**
			Percent of Uncollected Billing	**33.570%**
September Billing				
Inside Delivered Water Zone			2,095.23	$ 708,189.31
Metered @ $231			0.00	$ -
Metered			14,165.46	$ 3,484,703.23
Non-Metered (agriculture)			0.00	$ -
Delivered			1,759.16	$ 689,590.83
Aromas @ $231			0.00	$ -
Aromas			112.79	$ 27,746.34
Cal Water			66.84	$ 16,442.64
City of Watsonville			1,863.00	$ 458,298.00
Vega Mutual			17.08	$ 4,201.68
Pajaro/Sunny Mesa			111.36	$ 27,394.56
Non-Metered (rural residential)			0.75	$ 172.50
Subtotal			20,191.67	$ 5,416,739.09
			Uncollected Amt a/o 10/31/20	**1,293,596**
			Percent of Uncollected Billing	**23.881%**
December Billing				
Inside Delivered Water Zone			1,276.74	$ 431,537.62
Metered			7,192.44	$ 1,769,339.15
Non-Metered (agriculture)			234.14	$ 57,597.87
Delivered			1,432.69	$ 561,615.07
Aromas			93.73	$ 23,057.58
Cal Water			62.83	$ 15,456.18
City of Watsonville			1,885.00	$ 463,710.00
Vega Mutual			14.14	$ 3,478.44
Pajaro/Sunny Mesa			97.35	$ 23,948.10
Non-Metered (rural residential)			0.50	$ 115.00
Subtotal			12,289.55	3,349,855.01
			Uncollected Amt a/o 1/31/21	**422,090**
			Percent of Uncollected Billing	**12.600%**
Total	**4,884.10**	**1,306,165.25**	**49,973.83**	**13,446,337.53**

PV Water

January - March 2021 Account Write Offs/Adjustments

Date	Account	Description	Amount	Reason
2/18/2021	17465	Interest	$ (14.54)	Past due & payment crossed in mail
2/18/2021	Several	Interest	$ (2,324.87)	Past due & payment crossed in mail
2/18/2021	Several	Interest	$ (483.45)	Past due & payment crossed in mail
2/18/2021	24950	Interest	$ (84.40)	Past due & payment crossed in mail
2/18/2021	23419	Interest	$ (3.47)	Past due & payment crossed in mail
2/18/2021	23622	Interest	$ (3.10)	Past due & payment crossed in mail
2/18/2021	24945	Penalty	$ (3,450.89)	Meter Penalty
2/29/2021	19089	Penalty	$ (10,000.00)	Meter Penalty
02/29/2021	23449	Penalty	$ (1,003.93)	Meter Penalty
3/23/2021	24006	Metered	$ (41.82)	Billing Adjustment
3/23/2021	24006	Interest	$ (2.55)	Billing Adjustment
3/23/2021	1781-002	Interest	$ (186.33)	Past due & payment crossed in mail
3/23/2021	24476	Interest	$ (7.40)	Past due & payment crossed in mail
3/23/2021	646	Interest	$ (94.61)	Past due & payment crossed in mail
3/23/2021	22730-001	Interest	$ (30.20)	Past due & payment crossed in mail
3/23/2021	2381	Interest	$ (50.29)	Past due & payment crossed in mail
3/23/2021	1021	Interest	$ (231.84)	Past due & payment crossed in mail
3/23/2021	24453	Interest	$ (283.19)	Past due & payment crossed in mail
3/23/2021	16222	Interest	$ (30.71)	Past due & payment crossed in mail
3/26/2021	2098-001	Metered	$ (150.91)	Billing Adjustment
3/26/2021	2098-001	Interest	$ (20.37)	Billing Adjustment
3/26/2021	2098-002	Interest	$ (41.87)	Billing Adjustment
3/26/2021	18839	Non-Metered	$ (115.00)	Billing Adjustment
3/26/2021	18339	Interest	$ (13.84)	Billing Adjustment
3/26/2021	24790	Interest	$ (0.57)	Past due & payment crossed in mail
3/26/2021	24815	Interest	$ (0.16)	Past due & payment crossed in mail
3/26/2021	23478-001	Penalty	$ (551.04)	Meter Penalty
3/26/2021	23478-001	Interest	$ (20.55)	Billing Adjustment
		Total Adjustments	**$ (19,241.90)**	

PAJARO VALLEY WATER MANAGEMENT AGENCY
Account Activity Report per Bank Statement

	Date	Deposits	Withdrawals	Balance
CLEARING ACCOUNT - Rabobank				
Beginning Balance	2/1/2021			$182,855
Cash Receipts				
Disbursements			849,982	
Transfers		946,119		
Bank Fees				
Ending Balance	2/28/2021			$278,992
GENERAL FUND10-MMA RABOBANK				
Beginning Balance	2/1/2021			$1,044,197
Cash Receipts				
Transfers			5,834	
Interest Earned		32		
Bank Fees				
Ending Balance	2/28/2021			$1,038,395
GENERAL FUND 10 - LAIF				
Beginning Balance	2/1/2021			$2,182,820
Transfers				
Interest Earned				
Ending Balance	2/28/2021			$2,182,820
GENERAL FUND 20 - LAIF				
Beginning Balance	2/1/2021			$8,015,370
Transfers				
Interest Earned				
Ending Balance	2/28/2021			$8,015,370
SPECIAL REVENUE FUND 20-Operating RABOBANK				
Beginning Balance	2/1/2021			$344,094
Cash Receipts		2,186,762		
Transfers		2,680,000	2,540,286	
Disbursments/ACH-Wire			2,661,075	
Bank Fees			3,581	
Interest Earned				
Ending Balance	2/28/2021			$5,914
SPECIAL REVENUE Fund 20 Cash Mgmt-FUND20MMN RABOBANK				
Beginning Balance	2/1/2021			$4,791,973
Transfers		1,600,000	2,680,000	
Bank Fees				
Interest Earned		102		
Ending Balance	2/28/2021			$3,712,075
Certificate of Deposit - DWR Loan Reserve Rabobank Fund 40				
Beginning Balance	2/1/2021			$253,981
Interest Earned				
Ending Balance	2/28/2021			$253,981

	Prior Month Ending Cash Balance:	Total Deposits:	Total Withdrawals:	Month End Cash Balance:
	$16,815,290	$7,413,015	$8,740,757	$15,487,548
Cash Transfers		5,226,120	5,226,120	-
Actual Cash Receipts/Disbursements		2,186,895	3,514,637	

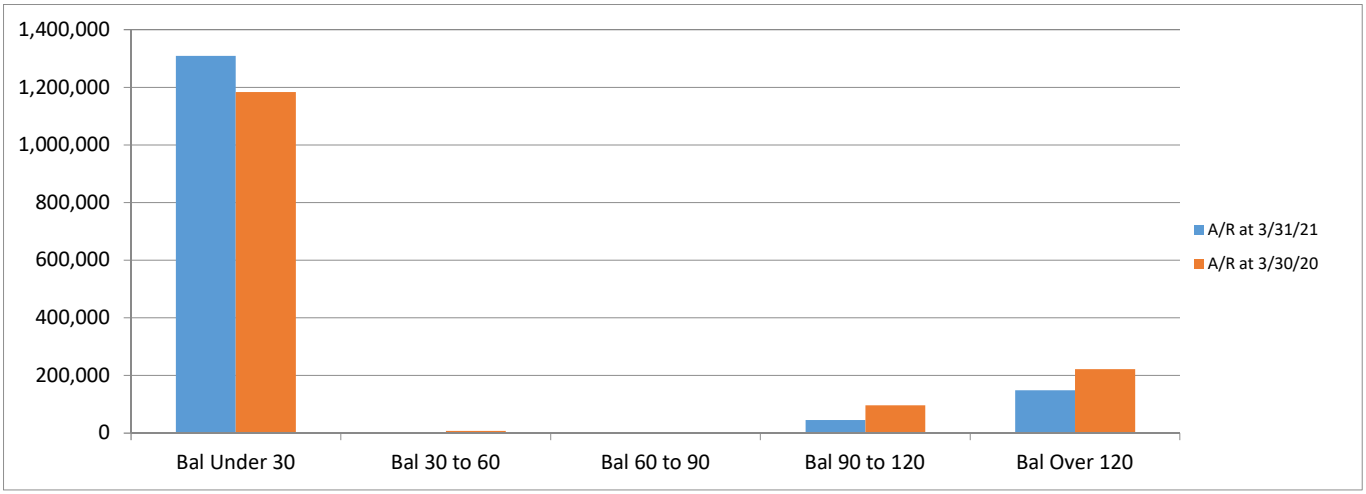
PAJARO VALLEY WATER MANAGEMENT AGENCY
INVESTMENT REPORT
ALL FUNDS
February 28, 2021

Description	Current Yield	Investment	% of Total Portfolio	Weighted Yield
Rabobank Clearing Account	0.00%	**$278,993**	1.80%	0.00%
General Fund 10				
Rabobank General Fund 10 Money Market Account	0.04%	1,038,395	6.70%	0.00%
Local Agency Investment Fund	0.63%	2,182,820	14.09%	0.09%
		$3,221,215		
Special Revenue Fund 20				
Rabobank Special Revenue Fund 20 Operating Account	0.00%	5,914	0.04%	0.00%
Rabobank Special Revenue Fund 20 Money Market Account	0.04%	3,712,075	23.97%	0.01%
Local Agency Investment Fund	0.63%	8,015,370	51.75%	0.33%
		$11,733,360		
Long Term Debt Fund 40				
Rabobank Certificate of Deposit DWR Loan Reserve	0.50%	**$253,981**	1.64%	0.01%
	Total:	**$15,487,548**	**100.0%**	

Total Funds Reserved (DWR Fund 40)	253,981
Total Funds Invested	14,948,660
Total Funds Non-interest Bearing	284,907
Total Funds	**$15,487,548**
Total Available Funds	15,233,567
Cash Reserve Policy Requirements (PV Water)	5,500,000
Surplus (Deficit) of Funds	**$9,733,567**

PV Water
Accounts Receivable Aging 3 Month Trend
As of 3/31/2021

	Balance Forward	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Accounts Receivable before credits	1,509,315	1,309,637	3,708	89	46,232	149,650
Credits	(18,440)					
Total Accounts Receivable at 3/31/21	1,490,875					
Accounts Receivable before credits	1,511,738	1,184,094	8,122	0	97,345	222,177
Credits	-1,387					
Total Accounts Receivable at 3/31/20	1,510,351					
Accounts Receivable before credits	304,345	5,260	127	126,924	5,887	166,148
Credits	(11,611)					
Total Accounts Receivable at 2/28/21	292,734					
Accounts Receivable before credits	620,011	127	422,090	6,960	217	190,616
Credits	(27,351)					
Total Accounts Receivable at 1/31/21	592,660					
Accounts Receivable before credits	3,608,397	3,344,741	15,510	220	71,542	176,384
Credits	(2,251)					
Total Accounts Receivable at 12/31/20	3,606,147					



Accounts Payable

Checks by Date - Detail by Check Date

User: nancy
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Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check
ACH	A1250	AFLAC- FLEX ONE	03/12/2021	
	EE Deferrals	EE PR Deferrals		579.16
		Total for this ACH Check for Vendor A1250:		579.16
ACH	A300	ACWA/JPIA	03/12/2021	
	EE Deferrals	EE PR Deferrals		29,698.65
		Total for this ACH Check for Vendor A300:		29,698.65
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	03/12/2021	
	EE Deferrals	EE PR Deferrals		4,515.00
		Total for this ACH Check for Vendor N125:		4,515.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	03/12/2021	
	EE Deferrals	ER/EE Retirement Contributions		8,589.66
	EE Deferrals	EE PR Deferrals		1,489.74
		Total for this ACH Check for Vendor P1300:		10,079.40
ACH	P555	PVWMA-Cafeteria Account	03/12/2021	
	EE Deferrals	EE PR Deferrals		1,109.53
		Total for this ACH Check for Vendor P555:		1,109.53
36814	A190	ACE HARDWARE OF WATSONVILLE INC	03/12/2021	
	203195	Field Supplies		225.61
		Total for Check Number 36814:		225.61
36815	A850	AVAYA FINANCIAL SERVICES.	03/12/2021	
	37327922	Phone/VM Lease Agreement for 3/21		388.24
		Total for Check Number 36815:		388.24
36816	b195	BALANCE HYDROLOGICS, INC	03/12/2021	
	221177-0221	Gaging Newtwork Maint. WY21 Monitoring Se		2,076.64
		Total for Check Number 36816:		2,076.64
36817	f475	BEATRIZ VASQUEZ-FLORES	03/12/2021	
	983	Resolution 2021-05 Proposed Aug & Water Del		1,035.50
	983	Public Hearing Notice: Water del chg		524.00
	983	Newsletter SGMA and Grd Water Sustainability		306.00
		Total for Check Number 36817:		1,865.50
36818	C1099	CAROLLO ENGINEERS INC	03/12/2021	
	195466	CL Bid Period Servics for 01/2021		154,330.10
		Total for Check Number 36818:		154,330.10
36819	E355	EKI ENVIRONMENT & WATER INC	03/12/2021	
	B90103.01-03	HSRechargeFacilitiy Amend1-Service 122620-(		10,906.70

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check
		Total for Check Number 36819:		10,906.70
36820	M900	MERRY MAIDS	03/12/2021	
	80621461	Monthly Office housekeeping for 02/27/2021		632.00
		Total for Check Number 36820:		632.00
36821	p1160	MIKE PODLECH	03/12/2021	
	2250	Task 4: Invasive Species Plan-CL Fisheries Sup		540.00
	2250	Task 4: Steelhead Monitoriing-CL Fisheries Sup		337.50
		Total for Check Number 36821:		877.50
36822	M1175	MONTEREY BAY ANALYTICAL SERVICE	03/12/2021	
	210201_35	Water Sample-02012021		5,773.00
		Total for Check Number 36822:		5,773.00
36823	M1865	MONTGOMERY & ASSOCIATES	03/12/2021	
	9090-21-1	Sustainable GW Planning-Stakeholder Engagem		42,238.13
		Total for Check Number 36823:		42,238.13
36824	P210	PACIFIC INFRASTRUCTURE CORP	03/12/2021	
	Progress Pmt#9	StopNoticeFunds Released-Consolidated Engine		28,349.58
		Total for Check Number 36824:		28,349.58
36825	p629	PASILLAS TIRE SERVICES, INC	03/12/2021	
	38763	Vechicle #8		888.90
		Total for Check Number 36825:		888.90
36826	P180	PENINSULA MESSENGER LLC	03/12/2021	
	192704	Monthly RaboBank Courier for Feb 2021		-54.00
		Total for Check Number 36826:		54.00
36827	P800	PG & E	03/12/2021	
	2926809320-9	Service at 36-B Brennan St for01/22/2021-02/2		155.42
	4291054495-8	Service at 475 San Andreas Roa		307.27
	5916054391-0	Service at 187 C San Andreas R		1,221.39
		Total for Check Number 36827:		1,684.08
36828	P899	PRAXIAR DISTRIBUTION, INC.	03/12/2021	
	61860426	CO2 20 lbs Cyclinders		77.07
		Total for Check Number 36828:		77.07
36829	P400	PVI PAJARO VALLEY IRRIGATION, INC.	03/12/2021	
	INV200051261	Spare parts for turnouts - pressure gauges		159.47
	INV200051411	CDS Field Supplies		88.41
		Total for Check Number 36829:		247.88
36830	R320	RDO EQUIPMENT COMPANY INC	03/12/2021	
	P6595738	Meter		753.93
		Total for Check Number 36830:		753.93
36831	S1405	SC FUELS INC	03/12/2021	
		Metering Program		55.87
		CDS		56.60

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check
		CDS		39.98
		Basin Monitoring		54.02
			Total for Check Number 36831:	206.47
36832	s2150	SOUTHWEST VALVE, LLC	03/12/2021	
	6224	CDS B-Valves (turnouts) and parts		3,006.36
			Total for Check Number 36832:	3,006.36
36833	C1580	SPECTRUM BUSINESS COMMUNICATION	03/12/2021	
	495564022321	LandLine services for 02/23/21-03/22/21		666.46
			Total for Check Number 36833:	666.46
36834	s2457	STATE OF CALIFORNIA THE RESOURCES	03/12/2021	
	2104E77008	Prop 13 Grd Watr Rechg Bond		125,707.87
			Total for Check Number 36834:	125,707.87
36835	S2915	STURDY OIL COMPANY	03/12/2021	
	25431-IN	Motor Oil for BW-2 Annual Maint		169.10
			Total for Check Number 36835:	169.10
36836	T100	TAYLOR'S OFFICE CITY, INC.	03/12/2021	
	327377-0	Form 1099s		44.74
	327633-0	Labels, Index - Office Supplies		65.33
			Total for Check Number 36836:	110.07
36837	U185	U.S. BANK EQUIPMENT FINANCE	03/12/2021	
	436127831	RICOH Office Copier for 02/21		207.62
	436460372	RICOH Office (Operations) Copier for 02/21		92.77
			Total for Check Number 36837:	300.39
36838	V369	VERIZON WIRELESS	03/12/2021	
	9874469662	Agency Personnel Cell Phones for 02/02/21-03/		481.16
			Total for Check Number 36838:	481.16
36839	Z100	ZAG TECHNICAL SERVICES, INC.	03/12/2021	
	113456	IT-Agreement Billable Time Support 02/16-02/		146.25
	113700	IT-Patching & AV Managed for 3/21		1,412.50
	113716	IT-Agreement Support 8X5 for 03/21		390.00
			Total for Check Number 36839:	1,948.75
			Total for 3/12/2021:	429,947.23
ACH	A1250	AFLAC- FLEX ONE	03/26/2021	
	EE Deferrals	EE PR Deferrals		521.08
			Total for this ACH Check for Vendor A1250:	521.08
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	03/26/2021	
	EE Deferrals	EE PR Deferrals		4,465.00
			Total for this ACH Check for Vendor N125:	4,465.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	03/26/2021	
	EE Deferrals	EE PR Deferrals		1,489.73
	EE Deferrals	ER/EE Retirement Contributions		8,263.32

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check
		Total for this ACH Check for Vendor P1300:		9,753.05
ACH	P555	PVWMA-Cafeteria Account	03/26/2021	
	EE Deferrals	EE PR Deferrals		1,239.53
		Total for this ACH Check for Vendor P555:		1,239.53
ACH	T359	THE STANDARD INSURANCE COMPANY	03/26/2021	
	00-649299-008	Long Term Disability Benefits		528.79
		Total for this ACH Check for Vendor T359:		528.79
36840	a1005	A.L. LEASE CO. WHOLE SALE PLUMBING	03/26/2021	
	134731	TurnOUt32-brass nipple	TurnOut32-brass nipple	16.64
		Total for Check Number 36840:		16.64
36841	a910	ATCHINSON,BARISONE,CONDOTTI	03/26/2021	
	33662	Legal Services-02/2021	Legal Services for 02/2021	4,930.10
		Total for Check Number 36841:		4,930.10
36842	b102	BARTKIEWICZ, KRONICK & SHANAHAN I	03/26/2021	
	8812.0001	Legal Services-RateSetting Efforts 02/2021	Legal Services	7,014.50
	8812.0005	Legal Services-WatsSlough 02/2021	Legal Services	1,160.00
	8812.0006	Legal Services-CollegeLake 02/2021	Legal Services	145.00
		Total for Check Number 36842:		8,319.50
36843	f475	BEATRIZ VASQUEZ-FLORES	03/26/2021	
	987	Translation Services for Public Hearing Notice	Translation Services	95.50
	987	Translation Services for Spring Newsletter	Translation Services	350.00
	990	Translation Services for Frequently Asked Ques	Translation Services	290.00
		Total for Check Number 36843:		735.50
36844	P1109	BELINDA PLATTS	03/26/2021	
	2021-1AnnRep	Services2021-1Annual Report & Chloride01/21	2021-1Annual Report & C	8,812.50
		Total for Check Number 36844:		8,812.50
36845	L563	BRIAN LOCKWOOD	03/26/2021	
	FebCellService	GM. Cell reimb. For		80.00
		Total for Check Number 36845:		80.00
36846	c1099	CAROLLO ENGINEERS INC	03/26/2021	
	0195679	CL-BMP Program Mgmnt Services-01/2021	BMP Program Mgmnt Ser	10,654.33
	0195679	WatsSlough-BMP Program Mgmnt Services-01/	BMP Program Mgmnt Ser	2,263.60
	0195679	HS-BMP Program Mgmnt Services-01/2021	BMP Program Mgmnt Ser	2,414.45
	0195679	Cost of Service-BMP Program Mgmnt Services	BMP Program Mgmnt Ser	17,161.90
		Total for Check Number 36846:		32,494.28
36847	c103	CBEC ECO ENGINEERING INC	03/26/2021	
	17-1003-5-3	CL HydroMonitoringWY2021-02/2021		3,342.50
		Total for Check Number 36847:		3,342.50
36848	W400	CITY OF WATSONVILLE UTILITIES	03/26/2021	
	AC#02389-OF	Office Montly Utilities for		143.18
		Total for Check Number 36848:		143.18

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check
36849	e355	EKI ENVIRONMENT & WATER INC	03/26/2021	
	B90103.01-04	Services forModeling & Technical-RechargeBa	HSRechardFacility	8,464.30
		Total for Check Number 36849:		8,464.30
36850	e500	ESA Water	03/26/2021	
	162188	CL EnviromentalServices-02/2021	Progress Report-02/2021	4,603.75
		Total for Check Number 36850:		4,603.75
36851	F360	FIRST ALARM, INC	03/26/2021	
	602880	Qrtly Alarm Services for	Alarm Service 040121-063	496.50
		Total for Check Number 36851:		496.50
36852	g190	GREEN RUBBER KENNEDY AG. INC.	03/26/2021	
	W-556180	BallValveSS(4)	Ball Valve	298.21
		Total for Check Number 36852:		298.21
36853	G330	GUTIERREZ CONSULTANTS, INC.	03/26/2021	
	1569	IRWM Drought Grant Support Servics-02/2021	Grants&Loans Consulting	2,074.00
	1570	SWRCB SRF/Prop 1 Phase II Support Services	SWRCB Prop 1 & Prop 68	3,495.75
		Total for Check Number 36853:		5,569.75
36854	j301	JACOBS ENGINEERING GROUP INC.	03/26/2021	
	W8Y08700-00(	CLIRMPD&bidPE Services 02/2021	CLIRMPD&BidPeriodSer	57,865.43
		Total for Check Number 36854:		57,865.43
36855	M1875	MICROSOFT AZURE	03/26/2021	
	E0600DVRHO	IT-Support Pay as You go for		15.06
		Total for Check Number 36855:		15.06
36856	M1175	MONTEREY BAY ANALYTICAL SERVICE	03/26/2021	
	210222_30	Water Samples for 2/22/21		979.00
	210222_32	Water Samples for 2/22/21		135.00
	210308-44	Water Samples 3/8/21	Water Samples 3/8/21	175.00
		Total for Check Number 36856:		1,289.00
36857	M1425	MONTEREY BAY PROFESSIONAL LANDS(	03/26/2021	
	35732	Building Mo. Landscape Maint. for 01/2021	Lanscape Maint.	196.00
	35901	Building Mo. Landscape Maint. for March	Services for 03/2021	196.00
		Total for Check Number 36857:		392.00
36858	O411	O'REILLY AUTO PARTS	03/26/2021	
	2912-410849	Vehicle Maint. & and Parts for2017CRV	2017 CRV Car Battery	140.06
		Total for Check Number 36858:		140.06
36859	P629	PASILLAS TIRE SERVICES, INC	03/26/2021	
	37913	Vehicle Service - Flat REpair-2019ToyotaTruck		20.00
		Total for Check Number 36859:		20.00
36860	P800	PG & E	03/26/2021	
	1787734656-3	Service at 1859 Beach Rd for		1,422.16
	9214983032-2	Service at 1931 Beach rd for		590.98
	9968544374-1	Service at Office -36 Brennan		682.62
		Total for Check Number 36860:		2,695.76

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check
36861	t335	PSOMAS	03/26/2021	
	6PAJ01020017	DiskFilterUpgrade-CMServices 0205/21-03/05/		1,560.00
	6PAJ01030017	FLineProject-CMServices 0205/21-03/05/21-Fi		4,770.00
	6PAJ01300170	DisFilterUpgradeProj.-CM Services	DiskFilterUpgradeProject-	12,210.00
	6PAJ01300170	FLine Project-CM Services	FLineProject-CM Services	10,820.00
		Total for Check Number 36861:		29,360.00
36862	p400	PVI PAJARO VALLEY IRRIGATION, INC.	03/26/2021	
	INV200051411	Liquid Filled Guage/TeflonTape	Liquid Filled Guage/Teflo	96.37
		Total for Check Number 36862:		96.37
36863	s876	SANTA CRUZ SENTINEL	03/26/2021	
	Acct1578005	13wks service	Acct#1578005-13wks	68.35
		Total for Check Number 36863:		68.35
36864	S1405	SC FUELS INC	03/26/2021	
	0364675	Agency Vehicles Fuel for 03/01/21-03/10/21	Fuel for Autos03/01/21-3/	487.08
		Total for Check Number 36864:		487.08
36865	S1681	SHAMROCK OFFICE SOLUTIONS	03/26/2021	
	517261	Monthly Office Printer		166.13
		Total for Check Number 36865:		166.13
36866	s2940	SMITH & ASSOCIATES, INC	03/26/2021	
	D207960	Progress Billing - 13 Real Property Appraisals	Real Property Appraisal Se	22,000.00
		Total for Check Number 36866:		22,000.00
36867	S2400	STAPLES CREDIT PLAN	03/26/2021	
	AcctEnding895	Office/Operating Supplies		221.72
		Total for Check Number 36867:		221.72
36868	U185	U.S. BANK EQUIPMENT FINANCE	03/26/2021	
	500-0592-136-(	RICOH Office Copier for 04/2021	RICOH C4500 Copier	207.62
		Total for Check Number 36868:		207.62
36869	W80	WAGEWORKS INC.	03/26/2021	
	INV2648602	Mo. Admin. & Compliance Fee for 02/2021		110.00
		Total for Check Number 36869:		110.00
36870	Z100	ZAG TECHNICAL SERVICES, INC.	03/26/2021	
	113623	IT-Professional Prefered Suppo		48.75
	113788	IT-Professional Prefered Suppo		97.50
	113822	IT-Monthly Subscription MS-CSP		815.00
	113895	IT-Professional Prefered Suppo		2,193.75
	113967	IT-Monthly Subscription MS-CSP		176.28
		Total for Check Number 36870:		3,331.28
		Total for 3/26/2021:		213,280.02
ACH	R40	CARDMEMBER SERVICE	03/30/2021	
	FEB2021	Interest fees 2/21		14.27
	FEB2021	Late fees 2/21		39.00

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check
	FEB2021	Car wash Detail for 2/21		216.00
	FEB2021	Virtual training for 2/21		25.00
	FEB2021	over payment previous month 2/21		1,394.17
	FEB2021	Admin Mtg 2/21		110.30
	FEB2021	DropBox 2/21		119.88
	FEB2021	Cell phone accesories for 2/21		31.12
	FEB2021	Budget Conference 2/21		829.91
	FEB2021	Notary Association (Laura) 2/21		491.30
			Total for this ACH Check for Vendor R40:	3,270.95
			Total for 3/30/2021:	3,270.95
			Report Total (68 checks):	646,498.20