PAJARO VALLEY WATER MANAGEMENT AGENCY

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ADMINISTRATION & FINANCE COMMITTEE MEETING
PV Water "Koenig" Conference Room
Tuesday, June 6, 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 May 11, 2021 Administration & Finance Committee Meeting Minutes **3**

5. Consider Proposed Final Budget for Fiscal Year 2021-2022 **5**

6. Consider Cash Reserve Policy for Fiscal Year 2021-2022 **35**

7. Consider Resolution 2021-09 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees) **37**

8. Consider Managed Security Assurance Agreement with ZAG Technical Services in an amount not to exceed $100,000 through June 30, 2023 **40**

9. Consider Accepting Financial Reports
   a. Activity Report **62**
   b. Investment Report **63**

10. Consider Accepting Cash Flow Reports
    a. A/R Aging Update **64**
    b. A/P Reports **65**

11. Discuss future agenda items and next meeting date – Tuesday, July 13, 2021, 3:00 p.m.

12. Adjourn

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 Board 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.

ADMINISTRATION & FINANCE COMMITTEE MEETING

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ADMINISTRATION & FINANCE COMMITTEE
DRAFT MEETING MINUTES of
Tuesday, May 11 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: Bob Culbertson, Amy Newell, Stephen Rider (arrived at 3:05 p.m.)
   Committee Members Absent:
   Staff Present: Brian Lockwood, General Manager (GM), Helen Rodriguez, Finance & Administrative Services Manager (FASM), Nancy Trevino, Financial Analyst (FA)

2. **Director Comments:** None

3. **Public Comments:** None

4. **Consider Approving Minutes of April 13, 2021 Committee Meeting:**
   Action: Director Newell moved to approve the April 13, 2021 minutes; Seconded by Director Culbertson.

   The motion carried following roll call vote:

   Ayes: **Culbertson, Newell**
   Noes: **None**
   Abstain: **None**
   Absent: **Rider** (arrived after this item)

5. **Consider Amendment to Agreement with cbec inc., for College Lake Project Scour and Channel Bank Erosion Analysis, in an amount not to exceed $33,039:**
   Action: Director Newell moved to accept the Amendment to Agreement with cbec inc., for College Lake Project Scour and Channel Bank Erosion Analysis, in an amount not to exceed $33,039 and make a recommendation to the Board for approval; seconded by Director Rider.

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

6. **Consider Revisions to Preliminary Budget for Fiscal Year 2021-2022:**
   Committee received a report from staff and considered revisions to the Preliminary Budget for Fiscal Year 2021-2022. Staff noted the Board is scheduled to hold a public hearing on the preliminary budget on May 19, 2021, and consider adoption of the final budget on June 16, 2021.

7. **Consider Approval of COVID-19 Supplemental Sick Leave (SB95):**

Action: Director Rider moved to approve COVID-19 Supplemental Sick Leave (SB95) and make a recommendation to the Board for approval; seconded by Director Newell.

The motion carried following roll call vote:

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

8. **Discuss Employee Handbook Updates & Schedule:**
Committee discussed the Employee Handbook Updates and Schedule. Staff anticipate returning to the Committee this fall with proposed revisions to both the Employee Handbook and employee job descriptions, and a salary survey.

9. **Review and Consider Accepting Financial Reports:**
Action: Director Newell moved to accept the Financial Reports, and place them on the consent agenda for Board consideration of approval; seconded by Director Rider.

The motion carried following roll call vote:

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

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

The motion carried following roll call vote:

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

11. **Discuss Future Agenda Items and Next Meeting Date**: Next meeting date set for Tuesday, June 8, 2021, 3:00 p.m.

Adjournment: 3:43 p.m.

MEMORANDUM

DATE: June 2, 2021
MEETING OF: June 8, 2021
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 5:** Consider Proposed Final Budget for Fiscal Year 2021-2022

INTRODUCTION

On April 21, 2021, the Pajaro Valley Water Management Agency (PV Water or Agency) Board of Directors (Board) adopted the preliminary budget for Fiscal Year 2021-2022 (FY21-22). During this meeting, the Board approved Resolution 2021-07,"Amending the PV Water Organization Chart". The Board adopted Ordinance 2021-01, An Ordinance of the Pajaro Valley Water Management Agency Adjusting Delivered Water Charges and Ordinance 2021-02, An Ordinance of the Pajaro Valley Water Management Agency Adjusting Groundwater Augmentation Charges. Staff published notice of the public hearing in the Pajaronian on Thursday, April 29, 2021 (online) and Friday, April 30, 2021 (printed). Staff have revised the preliminary budget to account for the April 21, 2021 Board actions. On May 19, 2021 Board of Directors meeting, the Board held a public hearing on the preliminary budget as required by the Agency Act.

BACKGROUND

The Fiscal Year 2021-2022 (FY21-22) budget funds the mission of the 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 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 presented are $62,914,500[1]. The total budgeted expenditures are $32,558,186.

Notable revenue related assumptions are illustrated in Figure 1 and include:

- Receipt of $387,000 in Management Fees
- Anticipated augmentation charge revenues of $11.9 million
- Anticipated delivered water revenues of $2.2 million
- 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 are illustrated in Figure 2 and include:

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

Figure 1. Projected Revenues: $62,914,500

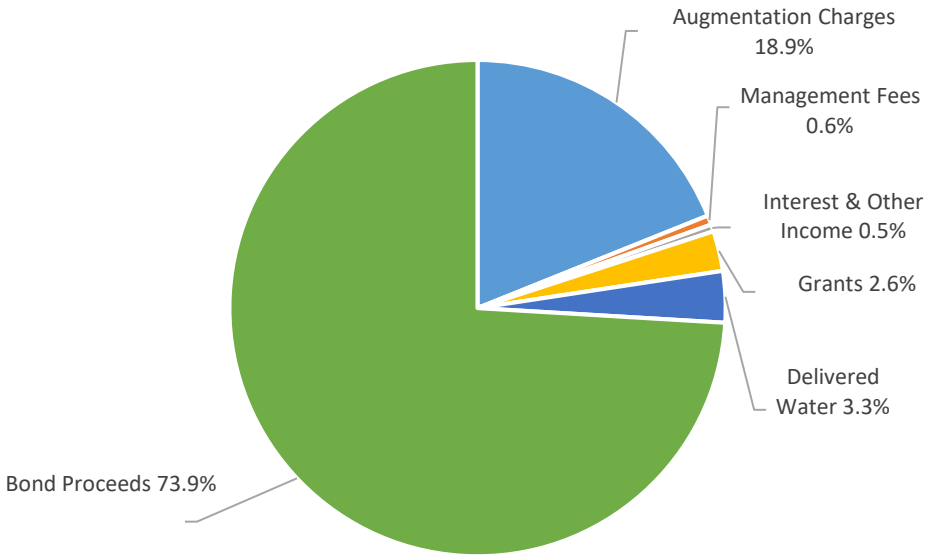
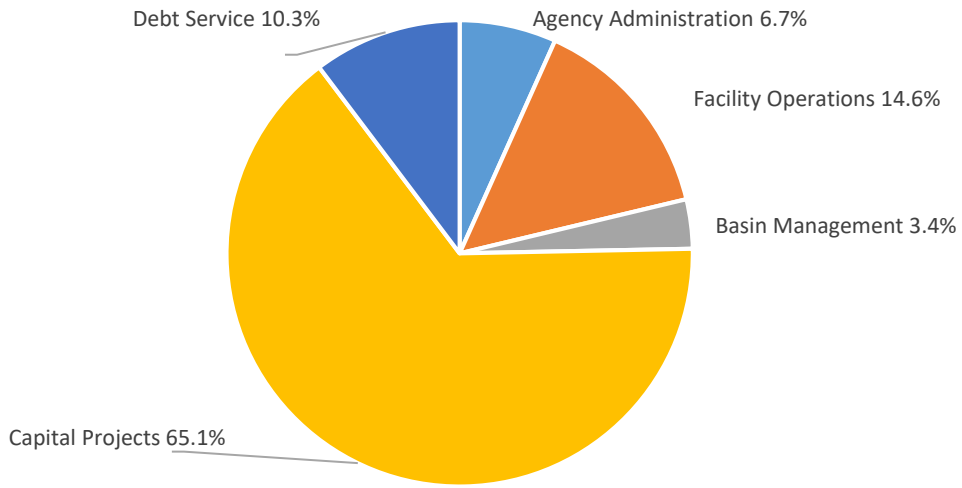


Figure 2. Projected Expenditures: $32,558,186



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, that it is available for public inspection, and hold a public hearing following the 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 considered and adopted the preliminary budget.
April 30, 2021	Staff published required notice of availability of the preliminary budget.
May 19, 2021	Board held public hearing.
June 16, 2021	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 Administration & Finance Committee consider the Proposed Final Budget for Fiscal Year 2021-2022.

ATTACHMENT

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

• To Protect Our Groundwater
• To Prevent Seawater Intrusion
• Now & For Our Future

Pajaro Valley
Water Management Agency

Proposed
Final Budget
Fiscal Year 2021-2022

TABLE OF CONTENTS

INTRODUCTION **1-3**

BUDGET SUMMARY BY SERVICE **4-6**

AGENCY ADMINISTRATION BUDGET **7-9**

SPECIAL FUND GENERAL ADMINISTRATION BUDGET **10-12**

FACILITY OPERATIONS BUDGET **13-15**

BASIN MANAGEMENT BUDGET **16-19**

CAPITAL PROJECTS BUDGET **20-23**

DEBT SERVICE **24-25**

Cover Photo:
Coastal Distribution System, F-Pipeline Expansion Project
Shinehah Bigham, Water System Operator

PAJARO VALLEY WATER MANAGEMENT AGENCY
PROPOSED PRELIMINARY BUDGET
FISCAL YEAR 2021-2022

Introduction

Long-term groundwater overdraft has led to serious problems that threaten the vibrant economy of the Pajaro Valley. Seawater intrusion in the Pajaro Valley Groundwater Basin was first documented in 1953. In the coastal areas and throughout much of the Pajaro Valley Groundwater Basin (PVGB or Basin), long-term overdraft conditions have resulted in groundwater levels to drop below sea level seasonally, creating a landward pressure gradient that causes seawater to flow in to, and contaminate, freshwater aquifers. Seawater intrusion has elevated the concentration of chloride and other salts in groundwater up to three miles inland from the coast, in some areas contaminating the groundwater to the point that it is unsuitable for use without treatment.

The Pajaro Valley Water Management Agency (PV Water or Agency) is a state-chartered water management district, formed in 1984, to manage groundwater resources and supplemental water supplies within the Pajaro Valley. In 2014, the Sustainable Groundwater Management Act (SGMA) became law, establishing a new legal structure in California that provides local agencies the means to manage groundwater basins in a manner that is sustainable. Water Code section 10723(c)(1)(L) establishes PV Water as the exclusive local agency within its statutory boundaries to comply with the requirements of SGMA. In 2015 the Board of Directors directed staff to file a notice of election to become the Groundwater Sustainability Agency (GSA) for the Pajaro Valley Groundwater Basin.

SGMA defines sustainable groundwater management as the "management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results." SGMA defines undesirable results as any of the following:

- Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply
- Significant and unreasonable reduction of groundwater storage
- Significant and unreasonable seawater intrusion
- Significant and unreasonable degraded water quality
- Significant and unreasonable land subsidence
- Surface water depletions that have significant and unreasonable adverse impacts on the beneficial uses of surface water

SGMA requires critically-overdrafted, high and medium priority basins to be managed under a Groundwater Sustainability Plan (GSP) or approved alternative by January 31, 2020, and to achieve sustainability by 2040. The Department of Water Resources (DWR) Bulletin 118 – 2003 Update identifies 515 groundwater basins in the state: 43 are high priority and 84 are medium priority. The PVGB is a critically-overdrafted, high priority basin.

PV Water developed its first Basin Management Plan (BMP) in the early 1990s. This plan provided a roadmap to stop groundwater overdraft and halt seawater intrusion. The BMP has been updated periodically in the time since. The Board of Directors adopted Resolution 2014-05, which approved the BMP Update in April 2014. Leading up to the board action, a stakeholder committee evaluated 44 potential projects to achieve sustainable groundwater resources and ultimately settled on a suite of seven projects and programs. Implementation of the projects and programs identified in the BMP Update formally commenced on July 1, 2015 when new Proposition 218 compliant rates supporting BMP Update implementation went into effect. In January 2017, the Board of Directors (Board) approved an agreement for Basin Management Plan Implementation – Program Management Services. The agreement funds a team of engineers, environmental scientists, and other experts, to advance work on the supplemental water facilities described in the capital projects section of the narrative. In October 2019, the Board certified the Final EIR and approved the College

Lake Integrated Resources Management Project. In January 2021, the Board certified the Final EIR and approved the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects.

The Fiscal Year 2021-2022 (FY21-22) budget funds the work of PV Water to fulfill its mission. The budget serves as a projection of PV Water finances. The budget narrative describes key activities and important assumptions taken into account to develop the budget, including activities related to SGMA, BMP implementation, operations, and anticipated revenue.

Budget Organization

The budget is organized by the following service expense groups:

- General Fund Agency Administration
- Facility Operations
- Basin Management
- Special Fund General Administration
- Grant Administration
- Conservation
- Special Revenue Fund Public Education & Outreach
- Capital Projects
- Debt Service Funds

Presented below is a summary of projected activities, budget assumptions, highlights by service, and a detailed budget for each of the service expense groups. A list of staff positions, salaries, benefits, and time commitment by service is included for each service group.

Revenues and Sources of Funds

PV Water is funded through:

1. Management Fees collected on tax rolls
2. Augmentation Charges collected on groundwater pumped from the Basin
3. Delivered Water Charges for supplemental water delivered in the coastal zone through the Coastal Distribution System (CDS)
4. Grants
5. State Revolving Fund Financial Agreements
6. Interest and Other Revenues

Management Fees are collected on county tax rolls with residential parcel fees of $18 per year and commercial parcels $20 per year. Management Fee revenues are placed in the General Fund category. This budget includes projected revenues of $387,000 in Management Fees.

PV Water levies a groundwater augmentation charge "on the extraction of groundwater from wells within the Agency's boundaries in order to pay the costs of purchasing, capturing, storing, and distributing supplement water and paying for activities required to prepare and implement the Agency's groundwater management program."[1] The rates for FY21-22 are provided Table 1, below. Augmentation charge revenue is placed in the Special Revenue Fund category. This budget includes projected revenues of $11.9 million in augmentation charges.

A delivered water charge is collected from customers who purchase the Agency's supplemental water supply.

[1] Ordinances 2015-02 and 2021-02, Ordinances of the Pajaro Valley Water Management Agency Adjusting Groundwater Augmentation Charges

The supplemental water supply is comprised of recycled water from the Watsonville Area Recycled Water Facility, Harkins Slough Managed Aquifer Recharge & Recovery Facility, from blend water from wells operated by the Agency, and the City of Watsonville's potable supply. The delivered water charge in FY21-22 is shown in Table 1, below[2]. Revenue generated from the sale of delivered water is placed in the Special Revenue Fund category. The budget includes projected revenues of $2.2 million in delivered water charges.

Table 1. Water Rates for Fiscal Year 2021-22

User Class	Cost of Service Rate (Unit Cost Per Acre-Foot)	Cost of Service Rate Effective December 1, 2021
Augmentation Charges:		
Metered Users - Outside Delivered Water Zone	$246	$263
Metered Users - Inside Delivered Water Zone	$338	$363
Unmetered Users (Rural Residential)*	$115	$123
Delivered Water Charge	$392	$412

**Rural residents are billed for an estimated 0.5 af/year water use.*

PV Water actively seeks state and federal grants, and low interest financing opportunities, to support the planning and implementation of water supply projects and programs. When successful, grants and other financial agreements (such as the Clean Water State Revolving Fund, or SRF) reimburse eligible expenses incurred during the planning and implementation of those funded projects and programs. Reimbursements are placed in the fund category from which they were originally spent. The budget includes projected grant reimbursement revenues of approximately $1.5 million, primarily coming from Proposition 84, Drought Emergency grant for the Coastal Distribution System F-Pipeline Expansion Project, and Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 for the Recycled Water Facility Disk Filter Upgrade Project. PV Water will also receive grant reimbursements in FY21-22 from a $0.5 million "Proposition 68 Sustainable Groundwater Management Grant Program Planning - Round 3 Grant," which was awarded to update its approved Groundwater Sustainability Plan Alternative, and a $75,000 grant from the Bureau of Reclamation, WaterSMART program for metered telemetry. SRF Funding made possible by a financial agreement with the State Water Resources Control Board is also anticipated in an amount of approximately $0.2 million.

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[2] Ordinances 2015-01 and 2021-01, Ordinances of the Pajaro Valley Water Management Agency Adjusting Delivered Water Charges

Table 2a. Summary by Service

Summary by Service July 1, 2021 to June 30, 2022									
	General Fund Fund 10	Special Revenue Fund Fund 20						Capital Projects Fund 30	Debt Service Fund 40
Revenues and Sources of Funds									
Management Fees	387,000								
Delivered Water		2,162,500							
Augmentation Charges		11,880,000							
Grant Revenue		1,500,000							
SRF Financial Agreement		200,000							
Bond Proceeds								46,500,000	
Interest Income	50,000	200,000							
Other Revenue		35,000							
Total Revenue	**$ 437,000**	**$ 15,977,500**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 46,500,000**	**$ -**
	Agency Admin	Special Revenue Fund General Admin	Facility Operations	Basin Management	Grant Admin	Conservation	Public Education & Outreach	Capital Projects	Debt Service
Expenditures									
Salaries and Wages	35,099	768,109	908,742	321,695	60,950	48,274	99,999	270,989	-
Conferences/Training	8,500	4,000	4,350	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	50	50,000	40,000	-	-	-	-	-	-
Insurance	5,000	3,500	30,000	-	-	-	-	-	-
Taxes/Fees	250	21,000	3,000	-	-	-	-	35,000	-
Legal Notices & Ads	750	2,500	-	3,000	-	-	-	6,000	-
Dues & Subscription	30,400	5,000	22,500	1,000	-	-	500	-	-
Office Expense/Supplies	5,000	10,000	5,500	-	-	1,000	1,000	-	-
Postage	1,000	2,000	5,000	2,500	1,000	-	1,000	-	-
Printing	2,000	8,500	1,750	1,500	-	1,000	12,000	11,000	-
City Connection Water Charges	-	-	490,000	-	-	-	-	-	-
Utilities	2,500	8,200	227,000	-	-	-	-	-	-
Telephone/Communications	4,000	4,000	12,000	-	-	4,000	4,000	-	-
Office Equipment	1,000	7,500	7,000	-	-	-	-	-	-
Well Leases	-	-	90,000	-	-	-	-	-	-
Field Supplies/Equipment	-	-	32,000	20,000	-	10,000	2,000	-	-
Elections	-	-	-	-	-	-	-	-	-
LAFCO District Fees	17,850		-	-	-	-	-	-	-
Collection Fee/Bad Debt	5,000	10,000	-	-	-	-	-	-	-
Professional Services	49,000	10,000	68,500	600,000	75,000	325,000	45,000	5,685,000	-
Vehicle Purchase	-	-	65,000	5,000	-	-	-	-	-
Vehicle Maintenance	-	-	16,000	3,000	-	2,500	2,850	-	-
Meters	-	-	124,000	-	-	-	-	-	-
Meter Contractor	-	-	24,000	-	-	-	-	-	-
Water Sampling	-	-	47,000	40,000	-	-	-	-	-
Legal Services	45,000	75,000	25,000	65,000	2,000	-	-	200,000	-
Facilities Maintenance	50,000	5,000	8,000	-	-	-	-	-	-
Information Technology	12,000	25,000	55,000	34,000	-	12,000	12,000	-	-
Licensed Contractors	-	-	95,000	5,000	-	-	-	7,500,000	-
COW Reimb O&M	-	-	2,310,000	-	-	-	-	-	-
Special Projects Outreach	25,000	-	-	-	-	-	-	-	-
Rebates	-	-	-	-	-	100,000	-	-	-
ReNeM Rebates	-	-	25,000						-
Bond Administration Fee	-	7,500	-	-	-	-	-	-	-
Miscellanous (X-Band Radar/Uniforms)	-	10,500	-	-	-	-	-	-	-
Crop Loss	-	-	-	-	-	-	-	-	-
Land Acquisition	-	-	-	-	-	-	-	7,450,000	-
DWR Note Payable	-	-	-	-	-	-	-	-	251,416
2015 Bond Payment Principal	-	-	-	-	-	-	-	-	1,850,000
2015 Bond Payment Interest	-	-	-	-	-	-	-	-	447,350
2016 Bond Payment Principal	-	-	-	-	-	-	-	-	460,000
2016 Bond Payment Interest	-	-	-	-	-	-	-	-	346,613
Total Expenditures	**$ 312,399**	**$ 1,044,809**	**$ 4,743,342**	**$ 1,114,195**	**$ 139,950**	**$ 506,774**	**$ 183,349**	**$ 21,157,989**	**$ 3,355,379**
Total Revenue									
Excess of Revenues or (Deficit)									

Note: Totals may not tie due to rounding.

Table 2b. Summary by Service (cont.)

Summary by Service July 1, 2021 to June 30, 2022				
	FY21-22 Proposed Budget	**FY20-21 Adopted Budget**	**$ Diff**	**% Diff**
Revenues and Sources of Funds				
Management Fees	387,000	387,000	-	0.0%
Delivered Water (4,800 AF)	2,162,500	1,900,000	262,500	13.8%
Augmentation Charges (49,000 AF)	11,880,000	12,000,000	(120,000)	-1.0%
Grant Revenue	1,500,000	4,300,000	(2,800,000)	-65.1%
SRF Financial Agreement	200,000	2,300,000	(2,100,000)	-91.3%
Bond Proceeds	46,500,000		46,500,000	N/A
Interest Income	250,000	250,000	-	0.0%
Other Revenue	35,000	35,000	-	0.0%
Total Revenue	**$ 62,914,500**	**$ 21,172,000**	**$ 41,742,500**	**197.2%**
	FY21-22 Proposed Budget	**FY20-21 Adopted Budget**	**$ Diff**	**% Diff**
Expenditures				
Salaries and Wages	2,513,855	2,361,673	152,182	6.4%
Conferences/Training	23,350	22,000	1,350	6.1%
Travel - Mileage - Meals - Lodging	35,500	35,500	-	0.0%
Bank Charges/Bond Fees	90,050	80,000	10,050	12.6%
Insurance	38,500	33,500	5,000	14.9%
Taxes/Fees	59,250	51,200	8,050	15.7%
Legal Notices & Ads	12,250	11,750	500	4.3%
Dues & Subscription	59,400	59,500	(100)	-0.2%
Office Expense/Supplies	22,500	23,500	(1,000)	-4.3%
Postage	12,500	15,450	(2,950)	-19.1%
Printing	37,750	42,750	(5,000)	-11.7%
City Connection Water Charges	490,000	475,000	15,000	3.2%
Utilities	237,700	237,200	500	0.2%
Telephone/Communications	28,000	28,000	-	0.0%
Office Equipment	15,500	20,300	(4,800)	-23.6%
Well Leases	90,000	90,000	-	0.0%
Field Supplies/Equipment	64,000	140,000	(76,000)	-54.3%
Elections	-	65,000	(65,000)	N/A
LAFCO District Fees	17,850	17,000	850	5.0%
Collection Fee/Bad Debt	15,000	55,000	(40,000)	-72.7%
Professional Services	6,857,500	6,019,000	838,500	13.9%
Vehicle Purchase	70,000	26,000	44,000	0.0%
Vehicle Maintenance	24,350	24,700	(350)	-1.4%
Meters	124,000	50,000	74,000	148.0%
Meter Contractor	24,000	30,000	(6,000)	-20.0%
Water Sampling	87,000	87,000	-	0.0%
Legal Services	412,000	412,000	-	0.0%
Facilities Maintenance	63,000	63,000	-	0.0%
Information Technology	150,000	134,000	16,000	11.9%
Licensed Contractors	7,600,000	2,140,000	5,460,000	255.1%
COW Reimb O&M	2,310,000	2,100,000	210,000	10.0%
Special Projects Outreach	25,000	25,000	-	0.0%
Rebates	100,000	75,000	25,000	33.3%
ReNeM Rebates	25,000		25,000	N/A
Bond Administration Fee	7,500		7,500	N/A
Miscellanous (X-Band Radar/Uniforms)	10,500	10,500	-	N/A
Crop Loss	-	250,000	(250,000)	N/A
Land Acquisition	7,450,000	2,500,000	4,950,000	N/A
DWR Note Payable	251,416	251,416	-	0.0%
2015 Bond Payment Principal	1,850,000	1,770,000	80,000	4.5%
2015 Bond Payment Interest	447,350	535,850	(88,500)	-16.5%
2016 Bond Payment Principal	460,000	440,000	20,000	4.5%
2016 Bond Payment Interest	346,613	364,213	(17,600)	-4.8%
Total Expenditures	**$ 32,558,186**	**$ 21,172,000**	**$ 11,386,182**	**53.8%**
Total Revenue	**62,914,500**	**21,172,000**	**$ 41,742,500**	
Excess of Revenues or (Deficit)	**30,356,314**	**-**	**$ 30,356,318**	

Note: Totals may not tie due to rounding.

Table 3. Budgeted Salary Expenditures, Overall Allocation

				General Fund Fund 10		Special Revenue Fund 20						Capital Projects Fund 30	
	Position	Total Salary & Benefits		Agency Admin		Admin Grants Conserv Ed & Outreach		Facility Ops		Basin Mngmnt		Capital Projects	
		Includes 10% Allowance for Non-Exempt		Total		Total		Total		Total		Total	
		%	$	%	$	%	$	%	$	%	$	%	$
Agency Administration													
1	General Manager	100%	293,552	2%	5,871	41%	120,356	6%	17,613	28%	82,195	23%	67,517
2	Finance & Administrative Services Manager	100%	227,657	2%	4,553	89%	202,615	0%	-	0%	-	9%	20,489
3	Financial Analyst	100%	156,353	2%	3,127	98%	153,226	0%	-	0%	-	0%	-
4	Administrative Analyst	100%	154,033	2%	3,081	68%	104,743	0%	-	0%	-	30%	46,210
5	Customer Service Rep	100%	144,036	2%	2,881	98%	141,155	0%	-	0%	-	0%	-
6	Account Clerk	100%	114,548	2%	2,291	98%	112,257	0%	-	0%	-	0%	-
Operations													
1	Water Meter Program Coordinator	100%	163,852	0%	-	2%	3,277	98%	160,575	0%	-	0%	-
2	Water System Operations Supervisor	100%	212,839	0%	-	1%	2,128	85%	180,913	0%	-	14%	29,798
3	Water System Operator	100%	183,845	0%	-	2%	3,677	83%	152,591	0%	-	15%	27,577
4	Vacant TBD	100%	93,719	2%	1,874	7%	6,560	13%	12,183	24%	22,492	54%	50,608
5	Operations-Maintenance Technician	100%	162,656	0%	-	0%	-	100%	162,656	0%	-	0%	-
6	Associate Hydrologist	100%	188,876	0%	-	9%	16,999	12%	22,665	73%	137,879	6%	11,333
7	Water Conservation & Outreach Specialist	100%	118,900	2%	2,378	76%	90,364	4%	4,756	9%	10,701	9%	10,701
8	Water Resources Technician	100%	112,616	0%	-	8%	9,009	34%	38,289	52%	58,560	6%	6,757
9	Field Technician	100%	77,066	0%	-	0%	-	100%	77,066	0%	-	0%	-
10	Maintenance Technician	100%	78,337	0%	-	0%	-	100%	78,337	0%	-	0%	-
11	Intern	100%	21,928	0%	-	50%	10,964	5%	1,096	45%	9,868	0%	-
	Total Staff Salaries/Benefits		2,504,812		26,056		977,331		908,742		321,695		270,989
	Board Members		9,043		9,043								
	Total Salaries & Benefits		**2,513,855**		**35,099**		**977,331**		**908,742**		**321,695**		**270,989**

Note: Totals may not tie due to rounding.

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General Fund
Agency Administration Service Expense Group Summary

The Agency Administration Service Expense Group includes activities related to the administration of the Agency that are paid from the General Revenue Fund. Board expenses, as well as LAFCO, auditing services, and membership charges to professional organizations are paid from the General Revenue Fund. The specific categories included within the Agency Administration Service are summarized below.

Office Administration
Major functions included in this category are audit and accounting services, legal services, LAFCO fees, and memberships in professional organizations including but not limited to the Association of California Water Agencies (ACWA), the California Special Districts Association (CSDA), the Groundwater Resources Association (GRA), and WateReuse. Also included within Office Administration is maintenance associated with the building and property.

Board Support
Functions included in this category are for board and committee support including elections and board-related legal services, and agenda packet preparation, publication, and distribution.

Special Projects Outreach
Special projects outreach for FY21-22 includes an aquifer educational display at the Agricultural History Project at the Santa Cruz County Fairgrounds, focused public outreach campaigns relating to extreme conditions, such as drought and atmospheric river events, and a collaborative project with the City of Watsonville to install water bottle filling stations with plaques to generate greater awareness of PV Water in the community and its mission to preserve resources, especially local water.

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Table 4. Agency Administration Expenditures

Agency Administration July 1, 2021 to June 30, 2022				
	Office Administration	**Board Support**	**Outreach & Education**	**Total**
Expenditures				
Salaries and Wages	15,086	17,048	2,965	35,099
Conferences/Meetings/Training	5,500	3,000	-	8,500
Travel/Mileage/Meals/Lodging	6,000	6,000	1,000	13,000
Bank Charges/Bond Fees	50	-	-	50
Insurance	5,000	-	-	5,000
Taxes	250	-	-	250
Legal Notices & Ads	750	-	-	750
Dues & Subscription	29,400	-	1,000	30,400
Office Expense/Supplies	5,000	-	-	5,000
Postage	1,000	-	-	1,000
Printing	2,000	-	-	2,000
Utilities	2,500	-	-	2,500
Telephone/Communications	4,000	-	-	4,000
Office Supplies/ Equipment	1,000	-	-	1,000
Elections	-	-	-	-
Legal Services	30,000	15,000	-	45,000
Professional Services	45,000	-	4,000	49,000
LAFCO District Fees	17,850	-	-	17,850
Collection Fee	5,000	-	-	5,000
Special Projects Outreach	-	-	25,000	25,000
Building Maintenance	50,000	-	-	50,000
Information Technology	12,000	-	-	12,000
Total Expenditures	**$ 237,386**	**$ 41,048**	**$ 33,965**	**$ 312,399**

Note: Totals may not tie due to rounding.

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Table 5. Budgeted Salary Expenditures, Fund 10 Detail

	Position	Total Salary & Benefits	General Fund 10							
			Agency Administration							
		Includes10% Allowance for Non-Exempt	Office Admin		Board Support		Special Projects Outreach		**Total**	
			%	$	%	$	%	$	%	$
Agency Administration										
1	General Manager	293,552	40%	2,348	50%	2,936	10%	587	100%	5,871
2	Finance & Administrative Services Manager	227,657	70%	3,187	30%	1,366	0%	-	100%	4,553
3	Financial Analyst	156,353	70%	2,189	30%	938	0%	-	100%	3,127
3	Administrative Analyst	154,033	50%	1,540	50%	1,540	0%	-	100%	3,081
4	Customer Service Rep	144,036	90%	2,593	10%	288	0%	-	100%	2,881
5	Account Clerk	114,548	100%	2,291	0%	-	0%	-	100%	2,291
Operations										
1	Water Meter Program Coordinator	163,852	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	212,839	0%	-	0%	-	0%	-	0%	-
3	Water System Operator	183,845	0%	-	0%	-	0%	-	0%	-
4	Vacant TBD	93,719	50%	937	50%	937	0%	-	100%	1,874
5	Operations-Maintenance Technician	162,656	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	188,876	0%	-	0%	-	0%	-	0%	-
7	Water Conservation & Outreach Specialist	118,900	0%	-	0%	-	100%	2,378	100%	2,378
8	Water Resources Technician	112,616	0%	-	0%	-	0%	-	0%	-
9	Field Technician	77,066	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	78,337	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	0%	-	0%	-	0%	-	0%	-
	Total Staff Salaries/Benefits	2,504,812		15,086		8,005		2,965		26,056
	Board Members	9,043				9,043				9,043
	Total Salaries & Benefits	**2,513,855**		**15,086**		**17,048**		**2,965**		**35,099**

Note: Totals may not tie due to rounding.

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Special Fund
General Administration Service Expense Group Summary

The General Administration Service Expense Group includes activities associated with office and grant administration, conservation, outreach and education. A summary of each follows.

Office Administration
The Office Administration category holds expenses that are general in nature, including billing and collection costs.

Grant Administration
Functions included in this category are grant applications, grant and contract management, and associated intergovernmental relations. The professional services in this category are largely grant reimbursable and include the following:

- Continued consultant services for the administration and reimbursement of the following grants: Proposition 84 Drought Emergency; Proposition 1, Recycled Water & Groundwater; Proposition 68 Sustainable Groundwater Management Grant Program Planning - Round 3 Grant; and Bureau of Reclamation, WaterSMART program.
- Applying for new grants and supporting project activities, including grant compliance and coordination.

Conservation
The conservation goal in the BMP Update accounts for 5,000 AFY about a 10% reduction in pumping compared to the baseline 2006-2010 average for groundwater wells or ~40% of the overall solution to eliminate 12,100 AFY of groundwater extractions. The Agricultural Water Conservation Program provides a high-level of engagement with local partners and stakeholders, to streamline ranch level conservation programs and leverage resources in order to optimize basin-wide progress toward the BMP Conservation goals. Partner agencies include the Resource Conservation Districts of Santa Cruz and Monterey Counties, the Natural Resources Conservation Service, the Water Conservation Coalition of Santa Cruz County, and the UC Cooperative Extension. In December 2020, the Board of Directors voted in favor of funding the BMP Agricultural Water Conservation Program at rate of $400,000 per year for the next three calendar years, which includes $300,000 per year for professional services, and $100,000 per year in rebates, trials and cost-sharing agreements. The Household Water Conservation program includes rebates, a home and garden water conservation tool kit, and water saving device give-a-ways. Outreach and education are important components of both programs. The FY21-22 budget includes $325,000 for professional services to support the conservation program and $100,000 rebates.

Outreach & Education
Outreach, community engagement, and education are among the most important functions of PV Water as they touch all aspects of the Agency's mission. Meetings, tours and workshops for stakeholders, community members, and students make up an important component of PV Water's outreach program. Outreach outlets included in this category are annual reports, newsletters, participation in local fairs and events, website updates and maintenance, and development of traditional media and social media content (e.g. Facebook). The FY21-22 budget includes $45,000 for professional services to support outreach activities.

Table 6. Special Fund General Administration Expenditures

Special Fund General Administration July 1, 2021 to June 30, 2022					
	Office Administration	**Grant Administration**	**Conservation**	**Public Outreach & Education**	**Total**
Expenditures					
Salaries and Wages	768,109	60,950	48,274	99,999	977,331
Conferences/Training	4,000	-	1,000	1,000	6,000
Travel/Mileage/Meals/Lodging	7,500	1,000	2,000	2,000	12,500
Bank Charges/Bond Fees	50,000	-	-	-	50,000
Insurance	3,500	-	-	-	3,500
Taxes/Fees	21,000	-	-	-	21,000
Legal Notices & Ads	2,500	-	-	-	2,500
Dues & Subscription	5,000	-	-	500	5,500
Office Expense/Supplies	10,000	-	1,000	1,000	12,000
Postage	2,000	1,000	-	1,000	4,000
Printing	8,500	-	1,000	12,000	21,500
Field Supplies	-	-	10,000	2,000	12,000
Utilities	8,200	-	-	-	8,200
Telephone/Communications	4,000	-	4,000	4,000	12,000
Office Equipment	7,500	-	-	-	7,500
Uniforms	3,000	-	-	-	3,000
Legal Services	75,000	2,000	-	-	77,000
Professional Services	10,000	75,000	325,000	45,000	455,000
Bad Debt/Collection Fees	10,000	-	-	-	10,000
Collection Fee	-	-	-	-	-
Building Maintenance	5,000	-	-	-	5,000
Office Equipment	-	-	-	-	-
Furniture & Equipment	-	-	-	-	-
Information Technology	25,000	-	12,000	12,000	49,000
Vehicle Purchase	-	-	-	-	-
Vehicle Maintenance	-	-	2,500	2,850	5,350
Rebates	-	-	100,000	-	100,000
Bond Administration Fee	7,500				7,500
Other Fixed Assets	-	-	-	-	-
Miscellaneous (X-Band Radar)	7,500	-	-	-	7,500
Total Expenditures	**$ 1,044,809**	**$ 139,950**	**$ 506,774**	**$ 183,349**	**$ 1,874,881**

Note: Totals may not tie due to rounding.

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Table 7. Budgeted Salary Expenditures, Fund 20, General Administration Detail

	Position	Total Salary & Benefits	Special Revenue Fund 20									
		Includes 10% Allowance for Non-Exempt	Office Admin		Public Outreach & Education		Grant Admin		Conser-vation		**Total**	
			%	$	%	$	%	$	%	$	%	$
Agency Administration												
1	General Manager	293,552	25%	73,388	10%	29,355	3%	8,807	3%	8,807	41%	120,356
2	Finance & Administrative Services Manager	227,657	79%	179,849	0%	-	10%	22,766	0%	-	89%	202,615
3	Financial Analyst	156,353	93%	145,408	0%	-	5%	7,818	0%	-	98%	153,226
4	Administrative Analyst	154,033	63%	97,041	0%	-	5%	7,702	0%	-	68%	104,743
5	Customer Service Rep	144,036	98%	141,155	0%	-	0%	-	0%	-	98%	141,155
6	Account Clerk	114,548	98%	112,257	0%	-	0%	-	0%	-	98%	112,257
Operations												
1	Water Meter Program Coordinator	163,852	1%	1,639	0%	-	1%	1,639	0%	-	2%	3,277
2	Water System Operations Supervisor	212,839	1%	2,128	0%	-	0%	-	0%	-	1%	2,128
3	Water System Operator	183,845	1%	1,838	0%	-	1%	1,838	0%	-	2%	3,677
4	Vacant TBD	93,719	4%	3,749	2%	1,874	1%	937	0%	-	7%	6,560
5	Operations-Maintenance Technician	162,656	0%	-	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	188,876	1%	1,889	2%	3,778	5%	9,444	1%	1,889	9%	16,999
7	Water Conservation & Outreach Specialist	118,900	1%	1,189	50%	59,450	0%	-	25%	29,725	76%	90,364
8	Water Resources Technician	112,616	0%	-	2%	2,252	0%	-	6%	6,757	8%	9,009
9	Field Technician	77,066	0%	-	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	78,337	0%	-	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	30%	6,578	15%	3,289	0%	-	5%	1,096	50%	10,964
	Total Salaries/Benefits	**2,504,812**		**768,109**		**99,999**		**60,950**		**48,274**		**977,331**

Note: Totals may not tie due to rounding.

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Facility Operations
Service Expense Group Summary

The Facility Operations Service Expense Group includes activities associated with the operation and maintenance of the Agency's supplemental water supply facilities. Specific categories included within the Facility Operations Service Group are summarized below, along with anticipated activities for the year.

Harkins Slough Managed Aquifer Recharge & Recovery Facility
The facility has two parts: 1) the diversion facilities on Harkins Slough, which includes diversion, treatment (filtration), and conveyance infrastructure; and 2) recharge basin facilities, which are located on the San Andreas Terrace and include the recharge basin, monitoring wells, and recovery wells, and the remote terminal units that house power, electronics, and other equipment. Operational costs include utilities, water quality sampling, maintenance, and professional services that provide support for operational software and hardware, and electrical maintenance.

Coastal Distribution System (CDS)
Coastal Distribution System Facilities include over 21 miles of sub-surface supplemental water conveyance pipeline located in the coastal area extending from Elkhorn Slough to Sunset Beach, and inland to approximately Highway 1. The CDS is capable of providing supplemental water to approximately 6,100 irrigated acres. Staff projects delivery of more than 5,000 acre-feet of supplemental water supply this fiscal year. Operational costs include utilities, maintenance, and professional services for software, lease expenses, water quality sampling, and electrical, meter and pipeline maintenance.

Supplemental Water (In-Basin)
Supplemental Water Facilities include Blend Well 1 and Blend Well 2, the City of Watsonville's potable supply, and a pilot project well lease. Water System Operators blend recycled water with supplemental water to both meet demand and to improve water quality. Operational costs include utilities, leases (Blend Well 1 and the Harvest Drive Well), software, electrical and pump maintenance.

PV Water is also implementing the Recharge Net Metering Pilot Program. This five-year pilot program has the goal of enhancing groundwater recharge within the Pajaro Valley Groundwater Basin by 1,000 AFY through a series of infiltration basins. Through the program PV Water issues a rebate to landowners based on the measured volume of water infiltrated that helps to offset costs incurred for the maintenance of the infiltration systems. Recharge Net Metering participants benefit directly through the rebate program; they also benefit indirectly (along with other groundwater users and the basin as a whole) because managed aquifer recharge helps to improve and sustain the quantity and quality of groundwater.

Watsonville Area Recycled Water Facility (RWF)
The RWF, constructed, operated, and maintained in collaboration with the City of Watsonville (City), was designed to produce up to 4,000 acre-feet per year of tertiary-treated, Title 22 compliant recycled water for use as an irrigation supply, delivered through the CDS, in lieu of groundwater. Expenses shown under this category are for operations and maintenance (O&M) costs paid to the City for water produced at the RWF and include equipment, chemicals, staff time, etc. This year's budget includes $2.31 million in O&M costs to the City for an anticipated 3,500 acre feet of recycled water production based on an average of the last three years and anticipated increase in production. The recycled water will be blended with approximately 1,500 acre-feet of in-basin blend water.

Metering Program
The Metering Program consists of maintaining and reading approximately 1,000 flow meters basin-wide on a quarterly basis. Calibrated flow meters measure groundwater extractions and water deliveries for basin management and billing purposes. PV Water is in the process of upgrading traditional meters to telemetry meters, which allow for cloud-based access of data for staff and customers alike. In FY21-22, $124,000 is included for telemetry meters upgrades and supporting services. This work could be funded in part by a $75,000 WaterSMART, Small-Scale Water Efficiency Project Grant provided by the US Bureau of Reclamation.

Table 8. Facility Operations Expenditures

Facility Operations July 1, 2021 to June 30, 2022						
	Harkins Slough Facility	**Coastal Distribution System**	**Supplemental Water (In-Basin)**	**Recycled Water Facility**	**Metering Program**	**Total**
Expenditures						
Salaries and Wages	78,907	411,021	35,736	21,293	361,785	908,742
Conferences/Training	-	3,000	-	-	1,350	4,350
Travel	-	2,000	-	-	-	2,000
Bank Charges	10,000	10,000	10,000	-	10,000	40,000
Insurance	8,500	6,500	6,500	-	8,500	30,000
Taxes/Fees	3,000	-	-	-	-	3,000
Dues & Subscription	500	1,000	500	20,000	500	22,500
Office Exp/Supplies	1,500	1,000	1,500	-	1,500	5,500
Postage	1,000	1,250	1,000	-	1,750	5,000
Printing	500	500	500	-	250	1,750
Utilities	75,000	2,000	150,000	-	-	227,000
Telephone/Communications	3,000	3,000	3,000	-	3,000	12,000
Office Equipment	2,000	2,000	1,500	-	1,500	7,000
Well Leases	-	-	90,000	-	-	90,000
Field Supplies/Equip	2,500	20,000	7,000	-	2,500	32,000
Legal Services	-	-	25,000	-	-	25,000
Professional Services	12,000	5,000	50,000	-	1,500	68,500
Meter Contractor	-	-	-	-	24,000	24,000
Building Maintenance	2,000	2,000	2,000	-	2,000	8,000
Information Technology	5,000	15,000	20,000	-	15,000	55,000
Facility Maintenance	-	-	-	-	-	-
Licensed Contractors	35,000	10,000	50,000	-	-	95,000
Vehicle Purchase	5,000	50,000	5,000	-	5,000	65,000
Vehicle Maintenance	5,000	3,000	3,000	-	5,000	16,000
Meters	-	-	-	-	124,000	124,000
City Connection Water	-	490,000	-	-	-	490,000
Water Sampling	12,000	35,000	-	-	-	47,000
COW RWF O&M	-	-	-	2,310,000	-	2,310,000
Other Fixed Assets	-	-	-	-	-	-
ReNeM Rebates			25,000			25,000
Total Expenditures	**262,407**	**1,073,271**	**487,236**	**2,351,293**	**569,135**	**4,743,342**

Note: Totals may not tie due to rounding.

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Table 9. Budgeted Salary Expenditures, Fund 20, Facility Operations Detail

Position	Total Salary & Benefits	Special Revenue Fund 20 — Facility Operations											
	Includes 10% Allowance for Non-Exempt	Harkins Slough		Coastal Distribution System		Supplemental Water (In-Basin)		Recycled Water Facility		Metering Program		**Total**	
		%	$	%	$	%	$	%	$	%	$	%	$
ency Administration													
General Manager	293,552	1%	2,936	1%	2,936	2%	5,871	1%	2,936	1%	2,936	6%	17,613
Finance & Administrative Services Manager	227,657	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Financial Analyst	156,353	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Administrative Analyst	154,033	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Customer Service Rep	144,036	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Account Clerk	114,548	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
erations													
Water Meter Program Coordinator	163,852	2%	3,277	20%	32,770	0%	-	0%	-	76%	124,527	98%	160,575
Water System Operations Supervisor	212,839	10%	21,284	60%	127,704	5%	10,642	5%	10,642	5%	10,642	85%	180,913
Water System Operator	183,845	10%	18,385	60%	110,307	5%	9,192	0%	-	8%	14,708	83%	152,591
Vacant TBD	93,719	3%	2,812	3%	2,812	3%	2,812	3%	2,812	1%	937	13%	12,183
Operations-Maintenance Technician	162,656	5%	8,133	40%	65,062	0%	-	0%	-	55%	89,461	100%	162,656
Associate Hydrologist	188,876	4%	7,555	2%	3,778	2%	3,778	2%	3,778	2%	3,778	12%	22,665
Water Conservation & Outreach Specialist	118,900	0%	-	0%	-	1%	1,189	0%	-	3%	3,567	4%	4,756
Water Resources Technician	112,616	6%	6,757	10%	11,262	2%	2,252	1%	1,126	15%	16,892	34%	38,289
Field Technician	77,066	5%	3,853	35%	26,973	0%	-	0%	-	60%	46,240	100%	77,066
Maintenance Technician	78,337	5%	3,917	35%	27,418	0%	-	0%	-	60%	47,002	100%	78,337
Intern	21,928	0%	-	0%	-	0%	-	0%	-	5%	1,096	5%	1,096
Total Salaries & Benefits	**2,504,812**		**78,907**		**411,021**		**35,736**		**21,293**		**361,785**		**908,742**

Note: Totals may not tie due to rounding.

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Basin Management
Service Expense Group Summary

The Basin Management Service Expense Group programs inform and support water resources management within the basin and include hydrologic modeling, basin monitoring, planning on the local level and in collaboration with regional stakeholders/partners, and funding activities such as grants, loans, and rate setting efforts. A summary of each of each program follows.

Basin Modeling
PV Water collaborated with the United States Geological Survey (USGS) to develop the Pajaro Valley Hydrologic Model (PVHM), under the guidance of a Technical Advisory Committee, between 2005 and 2010. The PVHM is the primary tool used to provide water budget information to help inform water resource planning activities, and to simulate water management scenarios, such as climate change, in support of basin management planning efforts. The budget provides funding for the current phase of PVHM updates and improvements to assist staff with SGMA compliance, such as the development of tools to help the PVHM "self-update," and more easily produce water budget & change in groundwater storage information. The USGS is in the process of conducting a land subsidence analysis of the Pajaro Valley, and during FY19-20, completed installation of two new streamflow gaging stations on the Pajaro River. The ongoing work supports PV Water's efforts to comply with SGMA, and is an integral component of present and future planning efforts, including the development of the BMP Groundwater Sustainability Update 2022 (GSU22). The GSU22 is being developed to meet the SGMA requirement of preparing a five-year update to the GSP-Alternative (see In-Basin Management, below).

Basin Monitoring
Monitoring hydrologic conditions of the Pajaro Valley Groundwater Basin provides critical information to water managers to evaluate the progress toward achieving PV Water's mission. Staff use data collected through monitoring programs to track and report changing conditions within the Basin that result from the implementation BMP projects and programs as well as climate and weather variability. Staff routinely monitor groundwater, surface water, water supply facilities, soils, land use, and weather. The data collected assists in tracking spatial and temporal changes to water quality, groundwater levels, and soil quality. The monitoring programs also provide data to satisfy monitoring and reporting requirements of numerous environmental permits and annual reporting requirements including: the Harkins Slough Water-Right Permit, the NPDES General Low-Threat Discharge Permit, the Master Reclamation Permit, and SGMA annual reporting. Staff oversee the water quality aspects of the supplemental water facilities, maintain field instrumentation; review new well permit applications, and document Basin conditions as needed to meet the requirements of over $60 million in water resources construction grants awarded to the Agency.

Programs include:
- Groundwater monitoring involving semi-annual water level and quality monitoring of over 170 wells, and monthly water level monitoring of a subset of wells.
- Seawater intrusion monitoring of wells located in and near the intruded zone.
- Surface water quality monitoring at approximately 40 sites.
- Hydrologic studies in the College Lake and Watsonville Slough System Watersheds to support BMP projects.
- Operation and maintenance of over 100 data-loggers at surface water and groundwater monitoring locations collecting data as frequent as every 15 minutes.
- Annual land use surveys detailing land use and crop types basin-wide.

In-Basin Management
The In-Basin Management section of the budget has historically funded the development of the Basin Management Plan (BMP). The Board of Directors certified the BMP Update Environmental Impact Report (Resolution 2014-04) and approved the BMP Update (Resolution 2014-05) in April 2014. In 2016, PV Water developed a BMP Implementation Plan Strategy. In December 2016, PV Water submitted the BMP Update, Agency Act, and other supporting documents to the DWR as an Alternative to a Groundwater Sustainability Plan (GSP). DWR approved PV Water's Alternative in July 2019. A five-year update is due to DWR in January

2022. DWR awarded PV Water a $0.5 million "Proposition 68 Sustainable Groundwater Management Grant Program Planning - Round 3 Grant" to support a stakeholder driven effort to prepare the five-year update, which is known as the Basin Management Plan: Groundwater Sustainability Update 2022 (GSU22).

Regional Water Management
PV Water, in partnership with San Benito County Water District (SBCWD) and Santa Clara Valley Water District (Valley Water), compose the Regional Water Management Group (RWMG) and lead the Integrated Regional Water Management (IRWM) efforts for the Pajaro River Watershed. The RWMG most recently updated and adopted the IRWM Plan in October 2019. In April 2020, the PV Water Board adopted Resolution 2020-03, adopting the 2019 Pajaro River Watershed Integrated Regional Water Management Plan. DWR approved the plan in April 2020. Work this fiscal year will include coordination meetings with SBCWD and Valley Water, potential pursuit of regional grant funding with the partners, and water resource planning as needed to maintain compliance with updated IRWM requirements.

Out-of-Basin Funding
Out-of-Basin Funding efforts include continued pursuit of state and federal grants. Title XVI, at the federal level, and Propositions 1 and 68, at the state level, continue to represent significant funding opportunities. Over the course of the fiscal year, PV Water expects to receive approximately $1.5 million in grant reimbursements and approximately $0.2 million in low-interest loans through the State Revolving Fund (SRF) financial agreement. This year's budget includes staff time and resources for grant writing, contracting and management of grants and contractors.

In-Basin Funding
In June 2019, the Board approved an agreement to develop an updated Cost of Service Rate Study Rate Study) to evaluate anticipated revenue needs to cover expenditures associated with the continued implementation of the BMP Update. The Board established an Ad Hoc Funding Committee in November 2019 to receive information developed as part of the Rate Study, evaluate potential options to meet revenue requirements, and make recommendations to the Board of Directors. The Committee voted in favor of recommending the rate structure, as proposed during its January 2021 meeting, to the Board. The Board adopted the Rate Study in February 2021. 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 is scheduled to hold public hearings and vote on ordinances adjusting the Agency's service charges in April 2021.

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Table 10. Basin Management Expenditures

Basin Management July 1, 2021 to June 30, 2022							
	Basin Modeling	**Basin Monitoring**	**In-Basin Management**	**Regional Water Management**	**Out-of-Basin Funding**	**In-Basin Funding**	**Total**
Expenditures							
Salaries and Wages	67,916	118,276	88,104	8,139	19,630	19,630	321,695
Conf/Mtgs/Training	1,500	3,000	-	-	-	-	4,500
Travel/Mileage/Meals	1,000	2,000	-	500	4,000	500	8,000
Legal Notices & Ads	-	-	-	500	-	2,500	3,000
Dues & Subscription	-	1,000	-	-	-	-	1,000
Postage	-	-	-	-	-	2,500	2,500
Printing	-	-	-	500	-	1,000	1,500
Field Supplies/Equipment	-	20,000	-	-	-	-	20,000
Elections	-	-	-	-	-	-	-
Legal Services	-	-	15,000	-	-	50,000	65,000
Professional Services	150,000	50,000	300,000	25,000	50,000	25,000	600,000
Information Technology	17,000	17,000	-	-	-	-	34,000
Vehicle Purchase	-	5,000	-	-	-	-	5,000
Vehicle Maintenance	-	3,000	-	-	-	-	3,000
Water Sampling	-	40,000	-	-	-	-	40,000
Other Fixed Assets	-	-	-	-	-	-	-
Licensed Contractor	-	5,000	-	-	-	-	5,000
Total Expenditures	**$ 237,416**	**$ 264,276**	**$ 403,104**	**$ 34,639**	**$ 73,630**	**$ 101,130**	**$ 1,114,195**

Note: Totals may not tie due to rounding.

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Table 11. Budgeted Salary Expenditures, Fund 20, Basin Management Detail

	Position	Total Salary & Benefits	Special Revenue Fund 20 — Basin Management													
		Includes 10% Allowance for Non-Exempt	Basin Modeling		Basin Monitoring		In-Basin Management Plan		Regional Water Management Plan		Out Of Basin Funding		In-Basin Funding (Rate Setting)		**Total**	
			%	$	%	$	%	$	%	$	%	$	%	$	%	$
	Agency Administration															
1	General Manager	293,552	3%	8,807	4%	11,742	10%	29,355	1%	2,936	5%	14,678	5%	14,678	28%	82,195
2	Finance & Administrative Services Manager	227,657	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
3	Financial Analyst	156,353	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
4	Administrative Analyst	154,033	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
5	Customer Service Rep	144,036	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	114,548	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
	Operations															
1	Water Meter Program Coordinator	163,852	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	212,839	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
3	Water System Operator	183,845	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
4	Vacant TBD	93,719	2%	1,874	2%	1,874	15%	14,058	1%	937	2%	1,874	2%	1,874	24%	22,492
5	Operations-Maintenance Technician	162,656	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	188,876	25%	47,219	25%	47,219	20%	37,775	1%	1,889	1%	1,889	1%	1,889	73%	137,879
7	Water Conservation & Outreach Specialist	118,900	0%	-	2%	2,378	3%	3,567	2%	2,378	1%	1,189	1%	1,189	9%	10,701
8	Water Resources Technician	112,616	5%	5,631	45%	50,677	2%	2,252	0%	-	0%	-	0%	-	52%	58,560
9	Field Technician	77,066	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	78,337	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	20%	4,386	20%	4,386	5%	1,096	0%	-	0%	-	0%	-	45%	9,868
	Total Salaries & Benefits	**2,504,812**		**67,916**		**118,276**		**88,104**		**8,139**		**19,630**		**19,630**		**321,695**

Note: Totals may not tie due to rounding.

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Capital Projects
Service Expense Group Summary

Following years of work and stakeholder engagement between 2010 and 2015, the Board of Directors certified the BMP Update Environmental Impact Report (Resolution 2014-04), approved the Basin Management Plan Update (Resolution 2014-05), and adopted Ordinances 2015-01 and 2015-02 adjusting PV Water's rate structures to fund implementation of the BMP Update. The projects and programs described in the BMP Update are projected to halt seawater intrusion and eliminate groundwater overdraft in the Pajaro Valley. Staff continue work to implement the projects and programs, which include:

- Conservation of existing water supplies
- Increased production and deliveries from existing facilities
- Increased Recycled Water Storage
- Harkins Slough Facility Upgrades*
- Watsonville Slough Diversion with Recharge Basins*
- College Lake Integrated Resources Management Project
- Murphy Crossing with Recharge Basin (Phase II project)

* *Collectively referred to as the Watsonville Slough System Managed Aquifer Recharge & Recovery Projects*

In January 2017, the Board of Directors approved an agreement for Basin Management Plan Implementation – Program Management Services. The agreement funded a team of engineers, environmental scientists, property rights experts, funding experts, and others to advance work on the College Lake Integrated Resources Management Project and the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. Funded tasks included program administration, planning and engineering support, environmental review and permitting, property-rights, water-rights, public and stakeholder outreach, and funding.

College Lake Integrated Resources Management Project
In October 2019, the Board adopted Resolution 2019-18, Certifying the Final Environmental Impact Report, Adopting Findings Pursuant to the California Environmental Quality Act, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program for the College Lake Integrated Resources Management Project and Resolution 2019-19, Selecting, Approving, and Adopting the College Lake Integrated Resources Management Project. In August 2020, the Board approved agreements for design and bid period services, and in October 2020, the Board approved agreements for environmental & permitting support, property rights, and fish passage design services. Ongoing and planned activities for FY21-22 include a continuation of those efforts noted above. In addition, PV Water remains committed to developing an Adaptive Management Plan (AMP) for this project through a stakeholder process. Anticipated AMP work in FY21-22 includes fish and waterfowl surveys in coordination with the California Department of Fish and Wildlife and the National Marine Fisheries Service, and the preparation of the Adaptive Management Plan with the oversite of the Ad Hoc Adaptive Management Plan Committee.

Watsonville Slough System Managed Aquifer Recharge & Recovery Projects
In January 2021, the Board adopted Resolution 2021-03 Certifying the Final Environmental Impact Report, Adopting Findings Pursuant to the California Environmental Quality Act, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program for the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. The Board also adopted Resolution 2021-04 Selecting, Approving, and Adopting the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. Activities in FY21-22 will include the preparation and submittal of environmental permits, design, procurement of property-rights and water-rights, continued community outreach, and applying for funding opportunities.

Recycled Water Facility Improvements Project
The Recycled Water Treatment, Storage, and Distribution Pump Station Improvements Project will allow staff to produce and distribute up to an additional 750 AF of recycled water per year. PV Water has an agreement with the State Water Resources Control Board (SWRCB) State Revolving Fund (SRF) program for a three-

phase RWF Improvements Project. Phase I, Recycled Water Storage and Distribution Pump Station Improvements Project, was completed in January 2018. In January 2021, the Board accepted final completion of the Phase II, Disk Filter Upgrade Project. A Phase III UV Treatment Upgrade Project is currently being considered. These projects are collectively receiving funding from the SWRCB through an SRF financial agreement; 35% of construction costs are reimbursable under Proposition 1 Recycled Water and 65% of the construction costs are eligible for a 1% financing agreement over 30 years. If the Board elects to direct staff to proceed with the Phase III project, construction would likely begin before the close of the fiscal year.

Coastal Distribution System F-Pipeline Expansion Project
In October 2019, the Board approved Resolution 2019-20, A Resolution of the Board of Directors of the Pajaro Valley Water Management Agency Approving Addendum No. 7 to the Final Environmental Impact Report for the Local Water Supply and Distribution Project, SCH No. 1997021006 and Addendum No. 1 to the Final Environmental Impact Report for the 2014 Basin Management Plan Update, SCH No. 2000062030 and Authorizing the General Manager to Call for Bids for the CDS F-Pipeline Project. The project included approximately 9,900 linear feet of high density polyethylene distribution pipeline ranging from 10 inches to 30 inches in diameter, approximately 35 linear feet of 24 inch diameter steel pipe, pipeline appurtenances, and six agricultural turnouts to provide up to 1,400 acre-feet-per-year of supplemental water to as much as 540 irrigated acres in addition to the existing 5,560 net irrigated acres. Staff successfully secured approximately $3.4 million of Proposition 84, Drought Emergency grant funds from DWR to support this important project that will provide supplemental water to more growers at the coast, further reducing groundwater extractions in the coastal area. The Board accepted final completion of the F-Pipeline Expansion Project in January 2021 however grant reimbursements may carry over into the FY21-22.

Basin Monitoring Network Improvements Project
This project is on hold for FY21-22 unless staff secure grant funds or technical assistance from DWR's Technical Support Services program. The project includes construction of new monitoring wells to better inform staff of conditions within the Basin and is included in the 2021 Cost of Service Rate Study.

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Table 12. Capital Projects Expenditures

Capital Projects July 1, 2021 to June 30, 2022						
	Basin Monitoring Improvements	**Harkins Slough Facility Upgrades**	**College Lake Integrated Resources Management Project**	**Struve Slough Diversion with Recharge Basins**	**Recycled Water Facility Upgrade, Phase III**	**Total**
Expenditures						
Salaries and Wages	5,212.09	40,865	140,482	56,268	28,161	270,989
Insurance	-	-	-	-	-	-
Taxes/Fees	-	-	10,000	25,000	-	35,000
Legal Notices & Ads	-	1,000	2,000	3,000	-	6,000
Printing	-	1,000	5,000	5,000	-	11,000
Field Supplies/Equipment	-	-	-	-	-	-
Professional Services	25,000	280,000	3,780,000	1,100,000	500,000	5,685,000
Other Fixed Assets	-	-	-	-	-	-
Legal Services	-	50,000	100,000	50,000	-	200,000
Equipment	-	-	-	-	-	-
Licensed Contractors	-	500,000	5,000,000	-	2,000,000	7,500,000
Land Acquisition	-	1,250,000	6,000,000	200,000	-	7,450,000
Crop Loss	-	-	-	-	-	-
Total Expenditures	**$ 30,212**	**$ 2,122,865**	**$ 15,037,482**	**$ 1,439,268**	**$ 2,528,161**	**$ 21,157,989**

Note: Totals may not tie due to rounding.

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Table 13. Budgeted Salary Expenditures, Fund 30, Capital Projects Detail

	Position	Total Salary & Benefits	Capital Projects Fund 30											
			Capital Projects											
		Includes 10% Allowance for Non-Exempt	Basin Monitoring Improve-ments		Harkins Slough Facility Upgrades		College Lake Intergrated Resources Management Project		Struve Slough Diversion & Recharge Basins		Recycled Water Facilty Improvements		**Total**	
			%	$	%	$	%	$	%	$	%	$	%	$
	Agency Administration													
1	General Manager	293,552	1%	2,936	5%	14,678	10%	29,355	5%	14,678	2%	5,871	23%	67,517
2	Finance & Administrative Services Manager	227,657	1%	2,277	1%	2,277	5%	11,383	1%	2,277	1%	2,277	9%	20,489
3	Financial Analyst	156,353	0%	0	0%	-	0%	-	0%	-	0%	-	0%	-
4	Administrative Analyst	154,033	0%	0	0%	-	20%	30,807	10%	15,403	0%	-	30%	46,210
5	Customer Service Rep	144,036	0%	0	0%	-	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	114,548	0%	0	0%	-	0%	-	0%	-	0%	-	0%	-
	Operations													
1	Water Meter Program Coordinator	163,852	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	212,839	0%	-	2%	4,257	5%	10,642	2%	4,257	5%	10,642	14%	29,798
3	Water System Operator	183,845	0%	-	0%	-	15%	27,577	0%	-	0%	-	15%	27,577
4	Vacant TBD	93,719	0%	-	12%	11,246	20%	18,744	12%	11,246	10%	9,372	54%	50,608
5	Operations-Maintenance Technician	162,656	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	188,876	0%	-	2%	3,778	2%	3,778	2%	3,778	0%	-	6%	11,333
7	Water Conservation & Outreach Specialist	118,900	0%	-	2%	2,378	5%	5,945	2%	2,378	0%	-	9%	10,701
8	Water Resources Technician	112,616	0%	-	2%	2,252	2%	2,252	2%	2,252	0%	-	6%	6,757
9	Field Technician	77,066	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	78,337	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
	Total Salaries & Benefits	**2,504,812**		**5,212**		**40,865**		**140,482**		**56,268**		**28,161**		**270,989**

Note: Totals may not tie due to rounding.

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Debt Service Payments
Service Expense Group Summary

The Debt Service Expense Group includes costs associated with payment of long-term balances as summarized below.

Note payable - Department of Water Resources (DWR)
The Agency entered into a promissory note on June 15, 2005 with the DWR in the amount of $3,511,446. The loan proceeds were used for the construction of projects identified in the Revised BMP (2002). Principal and interest for FY20-21 amounts to $251,416, with interest at 2.4%. The final payment on this note is due September 30, 2027.

Bond Payable - 2015 Water Revenue Refunding Bonds
Water Revenue Refunding Bonds were issued in the amount of $19,970,000 in 2015 primarily to refinance 1999 Certificate of Participation and two State Water Resources Control Board Loans that were used to construct Harkins Slough Managed Aquifer Recharge and Recovery Facilities, the Coastal Distribution System, and Blend Wells. Principal and interest payments are due in semi-annual installments through March 1, 2029, at interest rates ranging from 3% to 5%. Total annual payment due is $2.3 million.

Bond Payable - 2016 Water Revenue Refunding Bonds
Water Revenue Refunding Bonds were issued in the amount of $11,435,000 in 2016 to refinance the City of Watsonville's 2007 Water Revenue Bonds for costs associated with the design and construction of the Recycled Water Facility. Principal and interest payments are due in semi-annual installments through March 1, 2036, at interest rates ranging from 2% to 5%. Total annual payment due is $806,213.

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Table 14. Debt Service Summary

Debt Service July 1, 2021 to June 30, 2022	
Expenditures	
DWR Note Payable	251,416
2015 Bond Payment Principal	1,850,000
2015 Bond Payment Interest	447,350
2016 Bond Payment Principal	460,000
2016 Bond Payment Interest	346,613
Total Expenditures	**$ 3,355,379**

Note: Totals may not tie due to rounding.

Table 15. Bond Covenant Summary

BOND COVENANT TEST		
	Bond Principal	$ 2,310,000
	Bond Interest	793,963
	Annual Payment	3,103,963
	@ 110%	3,414,359
	Water Service Revenue	14,042,500
	Water Service O&M	8,044,818
	Net Revenue	5,997,682
	Over Debt Covenant	**$ 2,583,323**

Note: Totals may not tie due to rounding.

The Bond Covenant Test shows this budget satisfies the requirements of the bond debt covenant agreements in excess of $2.6 million.

MEMORANDUM

DATE:	June 2, 2021
MEETING OF:	June 8, 2021
TO:	Administration & Finance Committee
FROM:	General Manager
RE:	**ITEM 6:** Consider Cash Reserve Policy for Fiscal Year 2021-2022

BACKGROUND

In July 2013, the Board adopted *Resolution 2013-05, Adopting a Cash Reserve Policy.* It was recommended at the time that reserves be built gradually as funds become available, while maintaining an appropriate level of services for Agency functions such as operations, basin management and monitoring, and administration.

Establishment of formal policies to ensure appropriate financial margins for operations, maintenance, and debt service needs is identified by analysts as a management practice that constitutes a positive credit factor. The Cash Reserve Policy states that it will be reviewed annually at budget time to evaluate if funding levels are sufficient and prudent.

FISCAL IMPACT

This action will categorize funds as reserved for the purposes identified.

STAFF RECOMMENDATION

That the Committee consider the Cash Reserve Policy for Fiscal Year 2021-2022.

ATTACHMENTS

- Proposed Cash Reserve Policy ~~(Clean & Redline Versions)~~ with Exhibit A

Pajaro Valley Water Management Agency
Cash Reserve Policy
Exhibit "A"
June 2021 Update

Operation & Maintenance Reserve	**FY 14/15**	**FY 15/16**	**FY 16/17**	**FY 17/18**	**FY 18/19**	**FY 19/20**	**FY 20/21**	**FY 21/212**
Projected Operating Expenditures ($MM)	7.27	5.98	6.81	6.55	7.19	7.29	7.43	8.04
Projected Reserve Amount ($KK)	1,212	1,496	2,837	3,274	3,597	3,644	3,714	4,018

Repair & Replacement Reserve	**FY 14/15**	**FY 15/16**	**FY 16/17**	**FY 17/18**	**FY 18/19**	**FY 19/20**	**FY 20/21**	**FY 21/212**
Projected Annual Depreciation ($MM)	2.4	2.5	2.4	2.5	2.5	2.6	2.6	2.6
Projected Reserve Amount ($KK)	363	499	625	630	632	650	662	648

Debt Service Reserve	**FY 14/15**	**FY 15/16**	**FY 16/17**	**FY 17/18**	**FY 18/19**	**FY 19/20**	**FY 20/21**	**FY 21/212**
Projected Debt Service Payments ($MM)	4.24	3.98	3.6	3.4	3.4	3.4	3.4	3.4
Restricted Funds for Debt Covenants ($KK)	754	252	252	253	254	254	254	254
Projected Reserve Amount ($KK)	697	747	661	621	620	621	622	620

Rate Stabilization	**FY 14/15**	**FY 15/16**	**FY 16/17**	**FY 17/18**	**FY 18/19**	**FY 19/20**	**FY 20/21**	**FY 21/212**
Projected Reserve Amount ($KK)	500	500	500	500	500	500	500	500

Total Cash Reserve ($MM)	**2.77**	**3.24**	**4.62**	**5.03**	**5.35**	**5.42**	**5.50**	**5.79**

MEMORANDUM

DATE: June 2, 2021
MEETING OF: June 8, 2021
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 7:** Consider Resolution 2021-09, Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees)

BACKGROUND

When the Pajaro Valley Water Management Agency (PV Water) was established in 1984, the primary source of income was an assessment on parcels within its jurisdiction called the "Management Fee." The Management Fee is assessed annually at a rate of $18 per residential parcel and $20 per commercial parcel, and it is collected via the counties tax rolls.

The counties collect the Management Fee on behalf of the PV Water through a special levy. To enable this collection, the PV Water must prepare listings of the parcel charges and submit them by August 1, along with a request to place these billings on the tax rolls. Resolution 2021-09. constitutes this request.

FISCAL IMPACT

Santa Cruz County charges 1.00% for administrative costs, approximately $3,000. Monterey County charges 0.25%, approximately $160.00. San Benito County charges $0.30 per parcel, or approximately $176.40, for administrative costs. These charges are anticipated in the Fiscal Year 2021-2022 budget.

STAFF RECOMMENDATION

That the Administration & Finance Committee consider Resolution 2021-09,Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees).

ATTACHMENT

- Resolution 2021-09 with Exhibit "A"

Resolution 2021-09

A Resolution of the Board of Directors of the
Pajaro Valley Water Management Agency

Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees)

WHEREAS, the initial major source of income for the Pajaro Valley Water Management Agency (PV Water) as established in 1984 has been a Management Fee assessed to each parcel within PV Water's jurisdiction, which for 2021-2022 will be at the rate of $18 per residential and $20 per commercial parcel; and

WHEREAS, such charges as assessed by the PV Water are authorized in Article 9 of the PV Water enabling legislation and have been processed by the Counties of Santa Cruz, Monterey and San Benito since inception; and

WHEREAS, the Pajaro Valley Water Management Agency ("Public Agency") requests that the Public Agency's management fee be placed on the Monterey County, San Benito County and Santa Cruz County 2020-2021 tax rolls for collection and distribution.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. The Public Agency hereby certifies that it has, without limitation, complied with all legal procedures and requirements necessary for the levying and imposition of the general and special taxes, assessments, or property-related fees or charges identified in Exhibit "A", regardless of whether those procedures and requirements are set forth in the Constitution of the State of California, in State statutes, or in the applicable decisional law of the State of California.

2. The Public Agency further certifies that, except for the sole negligence or misconduct of the Counties of Monterey, San Benito, and Santa Cruz, their officers, employees, and agents with regards to the handling of the CD or electronic file identified as Exhibit 'A', the Public Agency shall be solely liable and responsible for defending, at its sole expense, cost and risk, each and every action, suit or other proceeding brought against the Counties of Monterey, San Benito, and Santa Cruz, their officers, employees, and agents for every claim, demand, or challenge to the levying or imposition of the general and special taxes, assessments, or property-related fees or charges identified in Exhibit "A", and that it shall pay or satisfy any judgment rendered against the Counties of Monterey, San Benito, and Santa Cruz, their officers, employees and agents on every such action, suit or other proceeding, including all claims for refunds and interest thereon, legal fees and court costs, and administrative expenses of the Counties of Monterey, San Benito, and Santa Cruz to correct the tax rolls.

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **16th** day of **June**, **2021**, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Amy Newell, Chair

Attest:

_____
Laura R. Taay, Board Secretary

Exhibit "A" to
Resolution 2021-09
A Resolution of the Board of Directors of the
Pajaro Valley Water Management Agency

Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments and Property-Related Fees and Charges

---

Fiscal Year 2021-2022

General Taxes:	None
Special Taxes:	None
Assessments:	None
Property Related Fees or Charges:	Management Fee: $18 per residential parcel and $20 per commercial parcel

MEMORANDUM

DATE: June 3, 2021
MEETING OF: June 8, 2021
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 8:** Consider Managed Security Assurance Agreement with ZAG Technical Services in an amount not to exceed $100,000 through June 30, 2023

DISCUSSION

Information Technology (IT) is the backbone of the Pajaro Valley Water Management Agency (Agency). IT is responsible for creating, editing, storing, backing up, and protecting data, at the same time as making it as close to 100% reliable as possible. Maintaining a secure, efficient, and reliable IT program is of the utmost importance to Agency operations. Included in the program are the Agency's firewalls, servers, computers, remote connections, etc. ZAG Technical Services (ZAG) has been providing support to keep the Agency's IT systems running securely and efficiently since about 2004.

ZAG server engineers and desktop technicians have successfully provided a wide range of services to the Agency over the past seventeen years. In 2017, in close coordination with staff, ZAG completed the initial phase of the IT Modernization Initiative, which included implementing an improved, cloud-based backup system, deployment of a new hyper-v server, and migration to Microsoft Office 365. IT systems have been running more efficiently and securely as a result of the Modernization Initiative. More recently, staff worked with ZAG to create a separate network for the SCADA system, an effort implemented concomitantly with a SCADA software upgrade. ZAG supported a recent Springbrook software upgrade that occurred without any significant issues. These "special projects" are in addition to the day to day needs of the Agency, which include monitoring and patching computers and servers, maintain Office 365 accounts, monitoring the Agency's Firewall and conducting regular security tests. The 24/7 service provided by ZAG has been exceptional.

FISCAL IMPACT

Will vary as PV Water adds servers and desktops through time, but is anticipated not to exceed $50,000 per year.

STAFF RECOMMENDATION

That the Committee review and consider the draft Agreement with ZAG Technical Services.

ATTACHMENT

- Draft Agreement with ZAG Technical Services

PAJARO VALLEY WATER MANAGEMENT AGENCY
36 Brennan Street
Watsonville, CA 95076
Tel (831) 722-9292 Fax (831) 722-3139

CONSULTANT AGREEMENT

To:	**ZAG Technical Services, Inc.**	**Date**:	**June 02, 2021**
	645 River Oaks Parkway		
	San Jose, CA 95134		
Tel:	**408-383-2000**		
Fax:			

Contract Amount:	**$100,000**	**Start Date:**	**July 1, 2021**	**End Date:**	**June 30, 2023**

Accepted:	**Pajaro Valley Water Management Agency**	**Consultant:**	**ZAG Technical Services, Inc.**
		FEIN:	**77-0492384**
By:		**By:**	
	Brian Lockwood,		**Greg Gatzke**
Title	**General Manager**	**Title**	**Chief Executive Officer**
	Other authorized representative(s):		**Other authorized representative(s):**

CONSULTANT AGREEMENT

This Agreement is entered into and effective this **1st** day of **July 2021**, by and between the Pajaro Valley Water Management Agency ("PV Water"), and ZAG Technical Services, Inc. ("Consultant") referred to herein individually as a "Party" and collectively as "the Parties."

WHEREAS, PV Water desires to retain Consultant to provide various computer and server managed services and support including, but not limited to, network monitoring, anti-virus management, systems administrations and onsite project work, as further described in Addendum "A" and attached hereto and made a part hereof ("Project"); and,

WHEREAS, Consultant represents that it has the expertise, means, and ability to perform said duties as outlined within its proposal received by PV Water on June 02, 2021 (Addendum A);

NOW, THEREFORE, in consideration of each other's mutual promises, the Parties hereto agree as follows:

1. Term of Agreement. This Agreement shall terminate on June 30, 2023 unless terminated sooner pursuant to the terms of this Agreement. The Parties' authorized representatives (defined below) shall have the authority to extend this term by written amendment to this Agreement.

2. Work. Consultant will furnish services as defined and described in the proposal attached hereto as Addendum A, and incorporated herein. All work performed by Consultant, or under Consultant's direction, shall be rendered in accordance with the generally accepted practices, and to the standards of, Consultant's profession. Consultant represents and warrants that Consultant: (i) is fully experienced and properly qualified to perform the class of work and service provided for herein, (ii) has the financial capability required for the performance of the work and services, and (iii) is properly equipped and organized to perform the work and services in a competent, timely, and proper manner, in accordance with the requirements of this Agreement.

   2.1 Change in Work. Any change in the scope of the professional services to be done, method of performance, nature of materials or price thereof, or to any other matter materially affecting the performance or nature of the professional services will not be paid for or accepted unless such change, addition or deletion be approved in advance, in writing by a supplemental agreement by the Parties. PV Water may order changes in the scope or character of services in writing, including decreasing the amount of Consultant's services described herein. In the event that the work is decreased, Consultant is entitled to full compensation for services performed and expenses incurred prior to the receipt of notice of change pursuant to Section 4 of this Agreement.

3. Authorized Representatives. The authorized representatives shall be individuals with the necessary authority to direct technical and professional work within the scope of this

Agreement and shall serve as the principal point of contact for the Project for each respective party.

3.1 PV Water. PV Water designates the following individual(s) as PV Water's authorized representative(s): Brian Lockwood. Only PV Water's authorized representative(s) is authorized to approve changes to this Agreement on behalf of PV Water.

3.2 Consultant. Consultant designates the following individual(s) as Consultant's authorized representative(s): _____. Only Consultant's authorized representative(s) is authorized to approve changes to this Agreement on behalf of Consultant.

4. Compensation. PV Water will pay Consultant, as full compensation for full performance of the services described in this Agreement, a fee not to exceed **One Hundred Thousand Dollars ($100,000).** The fee for services will be based on the Fee Schedule included in Addendum A of this Agreement.

4.1 Method of Payment. Consultant shall prepare and submit to PV Water detailed weekly invoices for fees and costs incurred in the performance of the services hereunder during the previous billing period. The invoice shall describe the services rendered and shall be based on all labor and direct expense charges made for work performed hereunder. Labor charges shall be in accordance with the Fee Schedule found in Addendum A of this Agreement. PV Water shall pay the amount of each itemized 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 in Addendum A and does not exceed the maximum amount specified above.

4.2 Direct Expenses. Direct expenses are those outside costs and rates identified in Addendum A incurred directly for the work performed and substantiated with invoices for the charges. Consultant will not be reimbursed for any costs or expenses at any rates that exceed the rates set forth in the Fee Schedule found in Addendum A. If Consultant must incur other costs which are not specifically covered by the terms of this Agreement, but which are necessary for the performance of Consultant's duties, PV Water may approve payment for said costs if authorized in writing by PV Water in advance.

5. Independent Contractor. Consultant represents that it has or will secure at its own expense all personnel, materials, and related services required to perform the services under this Agreement. Consultant (and its employees, agents, representatives, and subconsultant(s)), in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of PV Water. Consultant, not PV Water, shall have exclusive and complete control over its employees and subcontractors, and shall determine the method of performing the services hereunder. PV Water, however, retains the right to require that work performed by Consultant meet specific standards consistent with the requirements of this Agreement without regard to the manner and means of accomplishment thereof.

6. Conflict of Interest. Consultant owes PV Water a duty of undivided loyalty in performing the work and services under this Agreement. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Consultant acknowledges that it is aware of and agrees to comply with the provisions of the Political Reform Act, Section 1090 of the Government Code, and the PV Water conflict of interest code. Consultant will immediately advise Agency counsel if Consultant learns of a conflicting financial interest of Consultant's during the term of this Agreement.

7. Indemnification.

For General Services: To the fullest extent permitted by law, 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 acts or omissions of Consultant's employees or agents in any way related to the obligations or in the performance of services under this Agreement, except for design professional services as set forth in Civil Code § 2782.8, and except where caused by the sole or active negligence, or willful misconduct of PV Water.

For Design Professional Services under Civil Code §2782.8:
To the fullest extent permitted by law, 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 as set forth in Civil Code, except where caused by the sole or active negligence, or willful misconduct of PV Water. The costs to defend charged to the Consultant relating to design professional services shall not exceed the Consultant's proportionate percentage of fault per Civil Code §2782.8.

8. Insurance. 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".

9. Sub-consultants. Except as provided in Addendum A of this Agreement, and otherwise with prior written approval of PV Water, Consultant shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement. In the event that Consultant employs sub-consultants, sub-contractors, sub-tier contractors, or any person or entity involved by, for, with, or on behalf of Consultant in the performance or subject matter of this Agreement ("sub-consultant"), it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above. Consultant shall require all sub-consultants to provide a valid certificate of insurance and the required endorsements included in the Agreement prior to commencing any work, and will provide proof of compliance to PV Water. Sub-consultants

are to be bound to Consultant and to PV Water in the same manner and to the same extent as the Consultant is bound to PV Water under this Agreement. Consultant shall be responsible to PV Water for the performance of any and all sub-consultants who perform work under this Agreement and any acts of negligence on their part. Consultant is solely responsible for all payments due to sub-consultants.

10. Compliance with Laws. All activities of Consultant will be carried out in compliance with all applicable federal, state and local laws.

11. Permits. Permits required by governmental authorities will be obtained at Consultant's expense, and Consultant will comply with local, state and federal regulations and statutes including Cal/OSHA requirements.

12. Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its work, Consultant shall at all times, exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all federal, state and local statutory and regulatory requirements including State of California, Division of Industrial Safety (Cal/OSHA) regulations, and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act (as applicable). Safety precautions as applicable shall include instructions in accident prevention for all employees such as safe walkways, scaffolds, fall protection, ladders, bridges, gang planks, confined space procedures, trenching & shoring, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries.

13. Equal Employment Opportunity. Consultant agrees to refrain from discriminatory employment practices on the basis of race, religious creed, color, sex, national origin, handicap, sexual orientation, disability, ancestry, or other protected characteristics of any employee of, or applicant for employment with, such Consultant.

14. Ownership of Documents and Materials. All original documents, explanations of methods, maps, drawings, tables, reports, models, and other materials and work product (whether in printed or electronic format) prepared or gathered by or on behalf of Consultant under this Agreement that are in Consultant's possession, custody or control and equipment purchased specifically for the Project shall become the exclusive property of PV Water and may be used on this Project without the consent of the Consultant or its sub-consultants. Any software program purchased by Consultant to be used in the performance of this Agreement shall be transferred to PV Water to the extent allowed by the software license under which the program was purchased. All such materials, whether finished or unfinished shall, at PV Water's request, be delivered to PV Water upon completion of contract services or termination of this Agreement for any reason. Consultant agrees that all copyrights which arise from creation of Project-related documents and materials pursuant to this Agreement shall be vested in PV Water and waives and relinquishes all claims to copyright or other intellectual property rights in favor of PV Water.

15. Inspection. Authorized representatives of PV Water shall have access to Consultant offices

or other work location during normal business hours for the purpose of review and inspection of work activities undertaken pursuant to this Agreement. Consultant shall maintain books and accounts of the recoverable costs in accordance with generally accepted accounting principles and practices. PV Water shall have access to these books and accounts during Consultant normal business hours for the duration of this Agreement, and for a period of three (3) years after the completion of the particular services to which the costs relate to the extent required to verify the direct costs (excluding established or standard allowances and rates) incurred pursuant to this Agreement.

16. 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 receipt of written notice from PV Water that this Agreement is terminated, Consultant will submit an invoice for an amount that represents the value of services actually performed to the date of said notice for which Consultant has not previously been compensated. In the event of termination without cause, PV Water will pay to Consultant all recoverable costs incurred in the performance of such services in accordance with Section 4 of this Agreement, plus all reasonable costs incurred as a result of such termination, but in no event will PV Water pay termination costs exceeding Five Thousand Dollars ($5,000.00) and PV Water will have no further obligation to Consultant, monetarily or otherwise. In the event termination is for cause, Consultant need be compensated only to the extent required by law.

17. Dispute Resolution. The Parties desire to avoid the cost and delay of litigation. To that end, the parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice in letter form to the other party, setting forth the subject of the dispute and the relief requested. Promptly upon such notification, the Parties shall meet at a mutually agreeable time and place in order to exchange relevant information and perspective, and to attempt to resolve the dispute. In the event that no resolution is achieved, and if, but only 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 or negotiations between representatives with decision-making power, who, to the extent possible, shall not have had substantive involvement in the matters of the dispute. If the dispute is not resolved by these negotiations, the matter will be handled as the parties may agree or, otherwise as allowed by applicable law. Notwithstanding the foregoing provisions, nothing contained in this Agreement shall impair the parties' right to immediately pursue any and all legal remedies which may be available should there be a default in the terms of this Agreement, and a failure to cure said default after notice as required under this Agreement. If required by statute (e.g. applicable statute of limitation) to perfect or preserve a claim, either party may file the required notice of claim and/or commence litigation. To the extent that the Project involves or qualifies as a public works project, the Parties agree to comply with Public Contract Code section 9204(e).

18. Legal Remedies. Either Party shall be entitled to all remedies afforded by law or in equity to enforce their respective rights under this Agreement. No right or remedy in this Agreement are intended to be exclusive of any other right or remedy, but every such right or

remedy shall be cumulative and shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law, in equity or in the Agreement.

19. Right to Acquire Work from Others. Nothing in this Agreement shall prohibit PV Water from acquiring the same type or equivalent type of work or services under this Agreement from other sources.

20. Assignment and Successors. Consultant shall not assign any portion of the work required by this Agreement nor otherwise assign or transfer any interests in it without prior written approval of PV Water, which may be withheld or delayed in PV Water's sole and absolute discretion. This Agreement will be binding on the heirs, legal representatives, successors and assigns of the parties named above.

21. Severability. If any court of competent jurisdiction should rule that any provision of this Agreement is void, invalid or unenforceable, the remaining provisions will remain in full force and effect and will not be affected by said ruling.

22. 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.

23. Force Majeure. Neither party hereto shall be considered in default in the performance of its obligation hereunder to the extent that the performance of any such obligation, except the payment of money, is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected party, or by a strike, lockout or other labor difficulty, the settlement of which shall be within the sole discretion of the party involved. Each party hereto shall give notice promptly to the other of the nature and extent of any Force Majeure claimed to delay, hinder or prevent performance of the services under this Agreement. In the event either party is prevented or delayed in the performance of its respective obligation by reason of such Force Majeure, there may be an equitable adjustment of the schedule and Consultant compensation.

24. Governing Law and Venue. This Agreement shall be governed and construed in accordance with the laws of the State of California. The Parties hereby agree that: (a) if any action is brought for the purpose of enforcing any provision of this Agreement, including without limitation instituting any action or proceeding to enforce any provision of this Agreement, for damages by reason of any alleged breach of any provision of this Agreement, or a declaration of rights or obligations under this Agreement, or for any other judicial remedy, then such action shall be brought only in the appropriate state or federal court located in Santa Cruz County, California; and (b) a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this section shall affect or impair any Party's right to serve legal process in any manner permitted by law.

25. Notices. Any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon either Party in connection with this Agreement shall be in writing. Such notice shall be personally served or sent prepaid by registered or certified mail with return receipt requested, or sent by reputable overnight delivery service, such as Federal Express, and shall be deemed given: (a) if personally served, when delivered to the Party to whom such notice is addressed; (b) if given by prepaid or certified mail with return receipt requested, on the date of execution of the return receipt; or (c) if sent by reputable overnight delivery service, such as Federal Express, when received. Such notices shall be addressed to the Party to whom such notice is to be given at the Party's address set forth below or as such party shall otherwise direct in writing to the other Party delivered or sent in accordance with this Section.

If to PV Water:

Pajaro Valley Water Management Agency
Attention: Brian Lockwood, General Manager
36 Brennan Street
Watsonville, CA 95076
Telephone: (831) 722-9292

If to Consultant:

ZAG Technical Services, Inc.
Attention: Greg Gatzke, Chief Executive Officer
645 River Oaks Parkway
San Jose, CA 95134

_____

26. Cumulative Rights; Waiver. The rights created under this Agreement or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by either Party to exercise, and no delay in exercising any rights, shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by either Party preclude any other or future exercise thereof or the exercise of any other right. Any waiver of any provision or of any breach of any provision of this Agreement must be in writing, and any waiver by either Party of any breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement. The failure of either Party to insist upon strict adherence to any term of this Agreement on one or more occasions shall not be considered or construed or deemed a waiver of any provision or any breach of any provision of this Agreement or deprive that Party of the right thereafter to insist upon strict adherence to that term or provision or any other term or provision of this Agreement. No delay or omission on the part of either Party in exercising any right under this Agreement shall operate as a waiver of any such right or any other right under this Agreement.

27. Interpretation. This Agreement constitutes a fully negotiated agreement between commercially sophisticated Parties, each assisted by legal counsel, and the terms of this

Agreement shall not be construed or interpreted for or against either party hereto because that Party or its legal representative drafted or prepared such provision.

28. 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.

29. 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.

30. Time. Time is of the essence for each provision of this Agreement.

31. Further Assurances. The Parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required to carry out the provisions of this Agreement and the intentions of the Parties.

32. Good Faith and Fair Dealing. The Parties hereto acknowledge and agree that the performances required by the provisions of this Agreement shall be undertaken in good faith, and with both parties dealing fairly with each other.

33. No Third Party Beneficiaries. This Agreement does not create, and shall not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, Limited Liability Company or other form of organization or association of any kind that is not a party to this Agreement.

34. Entire Agreement. This Agreement, together with Addendums, 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.

35. Representations of Authority. The execution, delivery and performance of this Agreement by the Consultant and PV Water have been duly and validly authorized.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above referenced.

PAJARO VALLEY WATER MANAGEMENT AGENCY

By: _____

Brian Lockwood
General Manager

ZAG Technical Services

By: _____

Greg Gatzke
Chief Executive Officer

ZAG Technical Services

Addendum A

Managed Security Assurance

A Partnership to Enable Your Success….

6/2/2021

Developed for Pajaro Valley Water Management Agency
Revision: 2.0

PURPOSE

The purpose of this addendum is to serve as a supplement to ZAG's Master Services Agreement (MSA). In any cases of conflicting terms, this addendum will supersede the MSA unless otherwise noted.

EXECUTIVE SUMMARY

The Managed Security Assurance Agreement is a partnership with ZAG's team to ensure the monitoring and management of your systems and infrastructure and that security, as defined below, is implemented. ZAG's Client Operations team ensures that your core platforms are proactively monitored and updated regularly, protecting against preventable incidents, security threats, and business risk. This preventative maintenance of your systems helps ensure optimal performance, stability and security in your environment. This agreement also puts into place specific security measures that help assure the security of your environment.

MANAGED SECURITY ASSURANCE

The Managed Security Assurance Agreement provides your organization with centralized monitoring and patching/updates of firewalls, switches, servers, and computers. Our team will notify you if problems/issues are discovered in your environment, so you can act quickly. This service goes beyond a traditional Remote Monitoring and Management (RMM) offering.

Patching of your systems and infrastructure is included to keep everything current including patching of standard third-party software vendors detailed below. Antivirus and other system and network level protections will also be installed and monitored to provide multiple layers of security. Finally, server backups that meet the standards of this agreement are monitored to ensure their success. Systems outside of the approved list are managed on a best effort process or by managing a third-party vendor.

ADDITIONAL SECURITY MEASURES

The Managed Security Assurance Agreement also puts into place several security offerings that will dramatically improve an organization's security posture. Included in this among other items are:

- DMARC Setup and Monitoring
- Cloud-based Internet Security
- Dark Web Monitoring
- Active Directory Security Configuration
    - Password Policies
    - Default Administrator account name change
    - Enable account lockouts for multiple failed attempts
    - Administrator role segmentation
    - Alerting when users are promoted to Administrator privileges
- Quarterly Security Scanning
- Quarterly Internet-based Vulnerability Scanning
- Disk Encryption configured for all workstations

DISCOVERY AND SETUP

Once the agreement has been signed, ZAG can begin the Onboarding process. This work includes:

- Set up the management and antivirus systems
- Perform initial external security testing
- Conduct initial network scan of all devices
- Review server backups
- Configure DMARC and setup DMARC monitoring
- Deploy Cloud-based Internet Security
- Configure Dark Web monitoring
- Configure Active Directory Security configuration
- Configure Disk Encryption on workstations

SERVICE DESCRIPTIONS

The following table provides a listing of some routine maintenance and administration tasks that are included within the agreement definitions. Tasks may be modified over time as required.

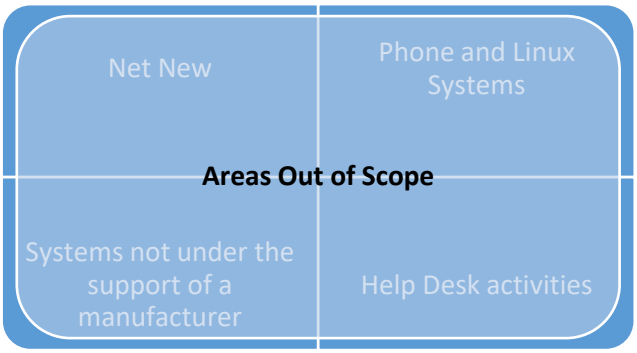
- **Monitor Servers and Workstations**
  - ZAG monitors servers and workstations for issues that arise such as failed drives, etc. Alerts are created so that the local personnel can correct known issues.
- **Monitor Server Backups**
  - Backups are a last line of defense for an organization. It is where the organization goes to if everything else fails. ZAG monitors the backups and alerts the organization should backups fail.
- **Monitor Network Equipment (Switches, Routers, Firewalls)**
  - ZAG continuously monitors the network equipment to ensure it is up and functioning.
- **Monitor UPS Systems**
  - UPS's ensure that systems are up and protected from power-based issues. ZAG monitors these systems as possible to ensure that servers and critical infrastructure stays up and available.
- **Manage Server and Workstation Antivirus**
  - Antivirus is a key line of defense for any organization. ZAG has found that vigilance is needed to ensure organizations are properly protected. ZAG monitors antivirus continuously to ensure that systems are protected.
- **Manage Server and Workstation MS Office/OS Updates**
  - Microsoft updates are the hallmark of security. ZAG manages the updates going to servers and workstations to ensure they are protected.
- **Manage Workstation Third-Party Software Updates**
  - Many vulnerabilities today come through Third-Party software offerings. ZAG works to keep software listed below current to help protect the organization from attack.
- **Monitor DMARC Configuration**
  - DMARC is a configuration that ZAG implements to protect the organization against email spoofing attacks. After it has been setup ZAG continues to monitor it so that we are alerted should a new valid sending email service be setup. If that happens, ZAG will need to update DMARC to ensure valid emails are delivered.
- **Monitor Cloud-based Internet Security**
  - ZAG implements a Cloud-based Internet security system that protects employees wherever they are. This system is in addition to traditional antivirus. It helps protect employees from going to bad sites on the Internet.
- **Monitor Dark Web Instances**
  - ZAG subscribes to a service that monitors Dark Web instances for its Managed Security Assurance clients. Notifications are sent out as new instances of the client's domain are located on the Dark Web. ZAG can also monitor up to two instances of personal email

addresses. Executive emails of the company are normally monitored as personally identity theft of a key executive can be substantially damaging to an organization.

- **Perform Quarterly Internet-based Vulnerability Scanning**
  - ZAG will perform quarterly internal security scanning as a QA process to ensure the security of the organization is current.

MANAGED SECURITY ASSURANCE EXCLUSIONS

General Scope Guidance



All patching covered by this agreement shall be automated. Any systems requiring manual patching will be billed separately. Anything considered **net new** is also considered outside the scope of this agreement.

Onsite visits are not covered and will be billed outside of the scope of the agreement. Normal onsite maintenance tasks, like changing of backup tapes, is outside the scope and should be addressed by client personnel.

The management of phone systems are outside the scope of this agreement.

Non-Microsoft OS patching including Mac OS, third-party application patching and Linux systems are outside the scope of this agreement.

MINIMUM REQUIREMENTS

For ZAG to provide the best services possible, the following minimum requirements must be met:

- All systems must be current production machines running supported operating systems. Any systems that are obsolete or running operating systems that are past end of life will be handled to the best of our ability outside of the scope of this agreement.
- All passwords and network design information should be made available to the ZAG Professional Services staff at the time of onboarding. We will create a dedicated ZAG account for access to resources and will not require ongoing access to any existing Domain Administrator accounts.
- The ZAG Monitoring and Management Platform requires a server or high-end workstation that has 8GB RAM and 256GB of free disk space and a current supported Microsoft Operating System. The client will provide the hardware and Operating System for this platform. This system can be virtualized.
- Many of these out of scope areas are included in other ZAG offerings.

SUPPORTED VENDORS INCLUDED IN MANAGED SYSTEMS AND INFRASTRUCTURE

The following vendors are supported in the fixed fee Managed Plans. All products must be under a current warranty plan with the vendor. We can assist with acquiring this support with the vendor if needed.

Switches	Firewalls	Antivirus	Wireless Access Points	Backups
Cisco Catalyst Cisco Meraki HP	Cisco Meraki SonicWall	AV Defender	Ruckus Meraki HP	BackupExec Datto Azure Backup

Other platforms will be maintained on a best effort process or by managing a third-party vendor (to be identified in separate addendum after assessment has been completed). Please note that these devices will be patched under the same schedule as supported devices. Patching and maintenance is critical to ensure the optimal performance and security of your environment.

Following is the full list of non-Microsoft apps that are patched under this plan. Please inform ZAG if any of these should be excluded from normal patching:

NON-MICROSOFT SUPPORTED VENDORS INCLUDED IN AUTOMATED PATCHING

Third Party Software Vendors		
Adobe Acrobat XI	Google Earth	
Adobe Air	iTunes (x64)	
Adobe Reader	iTunes (x86)	
Adobe Reader DC	Microsoft	VLC Media Player (x86)
Adobe Reader MUI	Notepad ++	WinRAR (x64)
Chrome	Opera Chromium	WinRAR (x86)
Firefox	QuickTime	WinZip (x64)
Firefox ESR	Safari	WinZip (x86)
Flash ActiveX	Shockwave	
Flash Plugin	Skype	
Foxit Reader	Thunderbird	

LIFECYCLE MANAGEMENT

Under this agreement, the client agrees to adhere to the following lifecycle management:

Hardware	Lifecycle
Laptops/Desktops	Replaced at minimum every four years
Servers/SANs	Replaced at minimum every six years
Switches/Routers/Firewalls/WiFi	Replaced at minimum every six years

TERM

The Managed Security Assurance agreement is a two-year agreement beginning on July 1, 2021 and ending on June 30, 2023. A 30-day notice of termination is required should any party terminate this agreement.

RATES

Managed Service Calculations

	Monthly	Non-Recurring	Approved
Managed Security Assurance	$1,486		
Service Agreement	$390		
Discovery & Setup		N/A	
	$1,876.00	**$0**	

The number of devices being managed under this plan are updated monthly and the rates are adjusted accordingly at a rate of $42/workstation and $95/server. Customer agrees to pay for service for all systems discovered in the monthly audit.

Professional Services Hourly Rates

	Normal Business Hours	Nights, Weekends, Holidays
System Engineer	$195	50% Premium
Solution Architect	$250	

ACCEPTANCE

IN WITNESS WHEREOF, the Parties have caused this Scope of Work ("SOW") to be executed as of the date indicated below.

Accepted By:

Authorized Signature	ZAG Technical Services, Inc.	Date
Authorized Signature	Pajaro Valley Water Management Agency	Date

APPENDIX A – SUMMARY INFORMATION

The pricing is based upon the following understanding of the client's environment:

	Quantity	Description
Number of Locations		
Firewalls		
Switches		
Servers (Virtual and Physical)		
Workstations (Virtual and Physical)		
Backup Solution		
Cloud Services(email, file sharing, SSO, MFA, document management, CRM, ERP, marketing, etc.)		

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 $2,000,000 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 $2,000,000 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 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.

PAJARO VALLEY WATER MANAGEMENT AGENCY
Account Activity Report per Bank Statement

	Date	Deposits	Withdrawals	Balance
CLEARING ACCOUNT - Rabobank				
Beginning Balance	4/1/2021			$247,657
Cash Receipts				
Disbursements			666,916	
Transfers		791,043		
Bank Fees				
Ending Balance	4/30/2021			$371,784
GENERAL FUND10-MMA RABOBANK				
Beginning Balance	4/1/2021			$1,033,556
Cash Receipts		24,204		
Transfers			5,390	
Interest Earned		34		
Bank Fees				
Ending Balance	4/30/2021			$1,052,403
GENERAL FUND 10 - LAIF				
Beginning Balance	4/1/2021			$2,182,820
Transfers				
Interest Earned		2,385		
Ending Balance	4/30/2021			$2,185,204
GENERAL FUND 20 - LAIF				
Beginning Balance	4/1/2021			$8,015,370
Transfers				
Interest Earned		8,757		
Ending Balance	4/30/2021			$8,024,127
SPECIAL REVENUE FUND 20-Operating RABOBANK				
Beginning Balance	4/1/2021			$12,665
Cash Receipts		4,053,946		
Transfers			3,085,653	
Disbursments/ACH-Wire				
Bank Fees			1,331	
Interest Earned				
Ending Balance	4/30/2021			$979,627
SPECIAL REVENUE Fund 20 Cash Mgmt-FUND20MMN RABOBANK				
Beginning Balance	4/1/2021			$3,437,207
Transfers		2,300,000		
Bank Fees				
Interest Earned		168		
Ending Balance	4/30/2021			$5,737,375
Certificate of Deposit - DWR Loan Reserve Rabobank Fund 40				
Beginning Balance	4/1/2021			$253,981
Interest Earned				
Ending Balance	4/30/2021			$253,981

Prior Month Ending Cash Balance:	Total Deposits:	Total Withdrawals:	Month End Cash Balance:
$15,183,256	$7,180,537	$3,759,290	$18,604,502
Cash Transfers	3,091,043	3,091,043	-
Actual Cash Receipts/Disbursements	4,089,494	668,247	

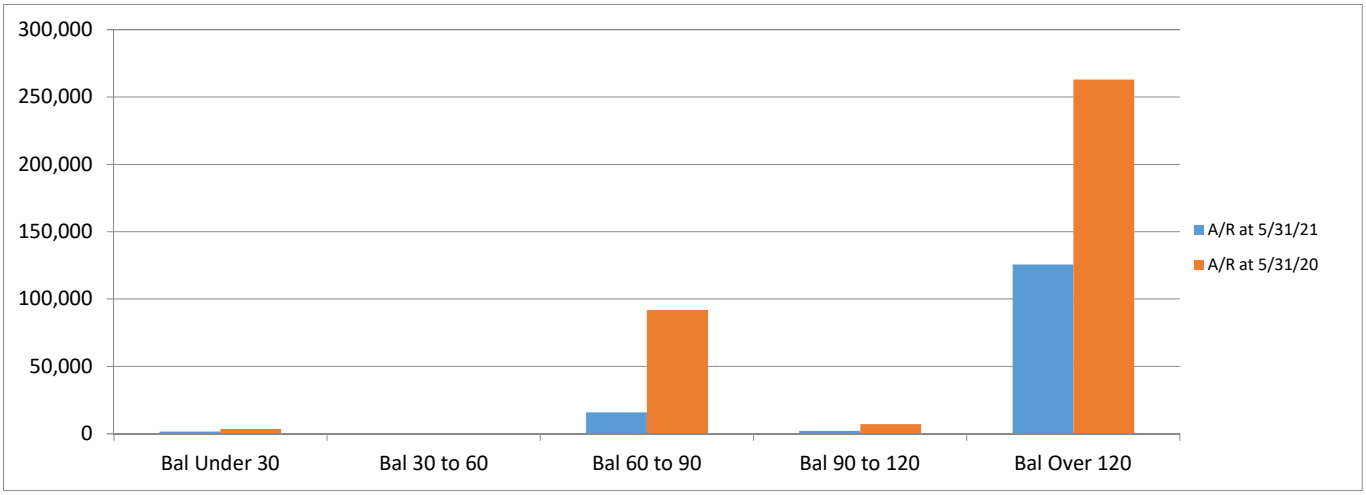
PAJARO VALLEY WATER MANAGEMENT AGENCY
INVESTMENT REPORT
ALL FUNDS
April 30, 2021

Description	Current Yield	Investment	% of Total Portfolio	Weighted Yield
Rabobank Clearing Account	0.00%	**$371,784**	2.00%	0.00%
General Fund 10				
Rabobank General Fund 10 Money Market Account	0.04%	1,052,403	5.66%	0.00%
Local Agency Investment Fund	0.44%	2,185,204	11.75%	0.05%
		$3,237,608		
Special Revenue Fund 20				
Rabobank Special Revenue Fund 20 Operating Account	0.00%	979,628	5.27%	0.00%
Rabobank Special Revenue Fund 20 Money Market Account	0.04%	5,737,375	30.84%	0.01%
Local Agency Investment Fund	0.44%	8,024,127	43.13%	0.19%
		$14,741,130		
Long Term Debt Fund 40				
Rabobank Certificate of Deposit DWR Loan Reserve	0.50%	**$253,981**	1.37%	0.01%
	Total:	**$18,604,502**	**100.0%**	

Total Funds Reserved (DWR Fund 40)	253,981
Total Funds Invested	16,999,110
Total Funds Non-interest Bearing	1,351,411
Total Funds	**$18,604,502**
Total Available Funds	18,350,521
Cash Reserve Policy Requirements (PV Water)	5,500,000
Surplus (Deficit) of Funds	**$12,850,521**

PV Water
Accounts Receivable Aging 3 Month Trend
As of 5/31/2021

	Balance Forward	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Accounts Receivable before credits	145,812	1,869	0	16,038	2,217	125,688
Credits	(9,060)					
Total Accounts Receivable at 5/31/21	136,752					
Accounts Receivable before credits	365,950	3,592	0	92,149	7,200	263,009
Credits	(15,886)					
Total Accounts Receivable at 5/31/20	350,064					
Accounts Receivable before credits	365,614	0	176,183	3,595	89	185,747
Credits	(8,537)					
Total Accounts Receivable at 4/30/21	357,077					
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	304,345	5,260	127	126,924	5,887	166,148
Credits	(11,611)					
Total Accounts Receivable at 2/28/21	292,734					



Accounts Payable

Checks by Date - Detail by Check Date

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Check No	Vendor No / Invoice No	Vendo / Descri	Check Date / Reference	Check
ACH	A1250	AFLAC- FLEX ONE	05/07/2021	
	EE Deferrals	EE PR Deferrals		592.30
Total for this ACH Check for Vendor A1250:				592.30
ACH	A300	ACWA/JPIA	05/07/2021	
	0667062	Minor Adj June Health Prems		-0.92
	0667062	EE PR Deferrals		29,698.65
Total for this ACH Check for Vendor A300:				29,697.73
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	05/07/2021	
	EE Deferrals	EE PR Deferrals		4,565.00
Total for this ACH Check for Vendor N125:				4,565.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	05/07/2021	
	EE Deferrals	EE PR Deferrals		1,489.75
	EE Deferrals	ER/EE Retirement Contributions		8,696.10
Total for this ACH Check for Vendor P1300:				10,185.85
ACH	P555	PVWMA-Cafeteria Account	05/07/2021	
	EE Deferrals	EE PR Deferrals		1,146.47
Total for this ACH Check for Vendor P555:				1,146.47
36938	A190	ACE HARDWARE OF WATSONVILLE INC	05/07/2021	
	204816/205351	CD's Field Supplies for 4/21		100.13
Total for Check Number 36938:				100.13
36939	A1230	ADP-AUTOMATIC DATA PROCESSING INC.	05/07/2021	
	578479064	Agency Payroll Processing Charges PE for 3/20/21		183.80
	578479082	Agency Payroll Processing Charges PE for 4/03/21		154.10
Total for Check Number 36939:				337.90
36940	T700	Thomas Broz	05/07/2021	
	ReplacemntCkAD	Replacement of ADPCk#12519057-StaleDated		92.35
Total for Check Number 36940:				92.35
36941	W400	CITY OF WATSONVILLE UTILITIES	05/07/2021	
	AC#02389-OFFIC	Office Monthly Utilities for 3/8 to 4/12/21		148.30
Total for Check Number 36941:				148.30
36942	W400	CITY OF WATSONVILLE UTILITIES	05/07/2021	
	#100533/OPERAT	PVWMA Oper. Water Treatment for 1/1 to 3/31/21		352,559.10
Total for Check Number 36942:				352,559.10
36943	G330	GUTIERREZ CONSULTANTS, INC.	05/07/2021	
	1577	SWRCB Prop 1 Phase II Sup. Services for 3/1-3/31/21		4,819.00
	1578	IRWM Drought Grant Support Services for 3/1 to 3/31/21		3,050.00
Total for Check Number 36943:				7,869.00

Check No	Vendor No / Invoice No	Vendo / Descri	Check Date / Reference	Check
36944	K310	KITTLESON ENVIRONMENTAL CONSULTING	05/07/2021	
	025.26	CL Waterfowl Study for 3/6 to 5/3/21		5,980.48
Total for Check Number 36944:				5,980.48
36945	M2300	McCROMETER, INC.	05/07/2021	
	549706RI	Meter Parts Telemetry Project for 4/21		3,987.48
Total for Check Number 36945:				3,987.48
36946	M900	MERRY MAIDS	05/07/2021	
	4/3 thru 4/24/21	Monthly Office housekeeping for 4/3 to 4/24/21		632.00
Total for Check Number 36946:				632.00
36947	P1160	MIKE PODLECH	05/07/2021	
	2266	CL Fisheries Support Prof. Services for 4/1 to 4/30/21		2,835.00
Total for Check Number 36947:				2,835.00
36948	M1151	MOBILE AUTO GLASS Y MAS	05/07/2021	
	FORD#2	Onsite windshield replace for 4/21		197.00
Total for Check Number 36948:				197.00
36949	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	05/07/2021	
	210406-44	Water Samples Groundwater for 4/6/21		540.00
	210408-48	Water Samples CD's for 4/8/21		709.00
	210408-49	Water Samples Groundwater for 4/8/21		260.00
	210413-64	Water Samples Groundwater for 4/13/21		810.00
	210414-60	Water Samples Groundwater for 4/14/21		810.00
Total for Check Number 36949:				3,129.00
36950	M1650	MONTEREY COUNTY ASSESSOR	05/07/2021	
	252	Disclaimer Assessor Parcel/PVWMA Data Report for 4/21		200.00
Total for Check Number 36950:				200.00
36951	P510	PAJARO VALLEY PRINTING	05/07/2021	
	41887	Invoice Perforated paper or Envelopes for 3/21		632.56
Total for Check Number 36951:				632.56
36952	P629	PASILLAS TIRE SERVICES, INC	05/07/2021	
	38226	Veh. Maint. Tire repair For Veh #11 for 4/30/21		20.00
Total for Check Number 36952:				20.00
36953	P180	PENINSULA MESSENGER LLC	05/07/2021	
	391743	Monthly RaboBank Courier for		110.00
Total for Check Number 36953:				110.00
36954	P800	PG & E	05/07/2021	
	2926809320-9	Service at 36 B Brennan St for 3/24 to 4/22/21		36.57
	2926809320-9	Service at 36 B Brennan St for 3/24 to 4/22/21		109.70
	3771390038-1	Service at Jensen Rd #3 for 3/22 to 4/20/21		27.27
	4291054495-8	Service at 475 San Andreas Rd for 3/23 to 4/21/21		1,424.12
	5290624576-7	Service at 2240 Beach Rd for 3/22 to 4/20/21		18.16
	5916054391-0	Service at 187C San Andreas Rd for 3/23 to 4/21/21		3,567.09
Total for Check Number 36954:				5,182.91
36955	P400	PVI PAJARO VALLEY IRRIGATION, INC.	05/07/2021	
	INV200052419	CD's Field supplies for 4/21		31.83
	INV200052472	AG Conservation Rebate for 4/21		1,594.02
	INV200052487	AG Conservation Rebate for 4/21		97.79

Check No	Vendor No / Invoice No	Vendo / Descri	Check Date / Reference	Check
	INV200052629	AG Conservation Rebate for 4/21		2,043.09
Total for Check Number 36955:				3,766.73
36956	S830	RESOURCE CONSERVATION SANTA CRUZ COUNTY RC	05/07/2021	
	21-IE-01	2021-Irrigation Efficiency Project Services for 1/1-3/31/21		28,356.68
Total for Check Number 36956:				28,356.68
36957	S1405	SC FUELS INC	05/07/2021	
	0383777	Agency Vehicles Fuel for 4/16 to 4/27/21		326.83
Total for Check Number 36957:				326.83
36958	S1681	SHAMROCK OFFICE SOLUTIONS	05/07/2021	
	525931	Monthly Office Printer for 4/2-5/1/21		106.20
Total for Check Number 36958:				106.20
36959	S1705	SNAP-ON TOOLS INC	05/07/2021	
	04292180867	Field Supplies for 4/29/21		152.40
Total for Check Number 36959:				152.40
36960	C1580	SPECTRUM BUSINESS COMMUNICATIONS	05/07/2021	
	0495564042321	LandLine services for 4/23 to 5/22/21		667.97
Total for Check Number 36960:				667.97
36961	T100	TAYLOR'S OFFICE CITY, INC.	05/07/2021	
	328374-04	Office Supplies Label for 4/29/21		156.28
Total for Check Number 36961:				156.28
36962	T305	TELSTAR INSTRUMENTS, INC.	05/07/2021	
	107498	BW & CPU, & Scada software updgrade for 4/5-4/8/21		5,010.00
Total for Check Number 36962:				5,010.00
36963	T333	THE BANK OF NEW YORK MELLON TRUST CO.	05/07/2021	
	252-2380161	PAJAROVWMA15/Annual Trustee fee for 4/30/21-4/29/22		1,250.00
Total for Check Number 36963:				1,250.00
36964	U185	U.S. BANK EQUIPMENT FINANCE	05/07/2021	
	441019973	RICOH Office Copier for 4/21		207.62
	441312766	RICOH Office Copier (upstairs) for 4/21		92.77
Total for Check Number 36964:				300.39
36965	W074	W.L. JEFSEN COMPANY	05/07/2021	
	45560	CD's Recovery Wells Low Pressure for 4/21		166.84
	45600	CD's for 4/21		50.64
Total for Check Number 36965:				217.48
36966	W362	WATSONVILLE PAJARONIAN	05/07/2021	
	22787	Public Hearing/Agency Budget FY 21-22 for 4/21		82.08
Total for Check Number 36966:				82.08
36967	Z100	ZAG TECHNICAL SERVICES, INC.	05/07/2021	
	114921	IT-Agreement Support 8x5 for 4/21		97.50
Total for Check Number 36967:				97.50
Total for 5/7/2021:				470,691.10
ACH	T359	THE STANDARD INSURANCE COMPANY	05/10/2021	

Check No	Vendor No / Invoice No	Vendo / Descri	Check Date / Reference	Check
	00-649299-0087	Long Term Disability Benefits		528.79
Total for this ACH Check for Vendor T359:				528.79
Total for 5/10/2021:				528.79
36968	S1000	SANTA CRUZ COUNTY FARM BUREAU	05/11/2021	
	TICKETS	5 National Tickets AG day spring Luncheon for 5/21		250.00
Total for Check Number 36968:				250.00
Total for 5/11/2021:				250.00
36969	N175	NATIONAL NOTARY ASSOCIATION	05/18/2021	
	NOTARY FEE	Laura's Notary fee for 5/21		40.00
Total for Check Number 36969:				40.00
36970	W378	WATSONVILLE FORD	05/18/2021	
	CONTROL#3659	2021 Fort Ranger Vehicle purchase for 5/21		34,055.53
Total for Check Number 36970:				34,055.53
Total for 5/18/2021:				34,095.53
36971	A1005	A.L. LEASE CO. WHOLE SALE PLUMBING SUPPLIES	05/20/2021	
	136988	Field supplies Turnout #10 for 5/21		55.06
Total for Check Number 36971:				55.06
36972	A610	ACFE/ASSOCIATION OF CERTIFIED FRAUD	05/20/2021	
	21591267	CPE Compliance Re-cert. Membership for 6/1/21-5/31/22		235.00
Total for Check Number 36972:				235.00
36973	A775	ART AND SPORTS	05/20/2021	
	1623	Logo Decals for New Ranger for 5/21		284.05
Total for Check Number 36973:				284.05
36974	A910	ATCHINSON,BARISONE,CONDOTTI	05/20/2021	
	33706	Professional Services CL Matters for 4/1-4/30/21		6,385.66
	33707	Professional Services General Matters for 4/1-4/30/21		4,995.12
Total for Check Number 36974:				11,380.78
36975	A850	AVAYA FINANCIAL SERVICES.	05/20/2021	
	37699395	Phone/VM Lease Agreement for 4/1-5/1/21		388.24
Total for Check Number 36975:				388.24
36976	B195	BALANCE HYDROLOGICS, INC	05/20/2021	
	220177-0421	Annual Data WY20 report writting Thru 4/17/21		11,105.00
	221177-0421	Data post-processing& rating curves/archiving thru 4/17/21		1,460.00
Total for Check Number 36976:				12,565.00
36977	B102	BARTKIEWICZ, KRONICK & SHANAHAN INC	05/20/2021	
	8812-0005& 0006	Legal Prof. Service Watsonvielle Slough WSR for 4/21		1,457.10
	8812-0005& 0006	Legal Professional Services CL. Project for 4/21		1,667.50
Total for Check Number 36977:				3,124.60
36978	C960	CARDIFF PEST CONTROL INC	05/20/2021	
	0117858	Pest control Office Monthly fumigation for 5/21		73.34
	0117858	Pest control Office Monthly fumigation for 5/21		36.66

Check No	Vendor No / Invoice No	Vendo / Descri	Check Date / Reference	Check
Total for Check Number 36978:				110.00
36979	R40	CARDMEMBER SERVICE	05/20/2021	
	APR2021	CD's field supplies valve parts for 4/21		271.46
	APR2021	Conference registration fee for 4/21		375.00
	APR2021	Admin meeting for 4/21		169.52
	APR2021	Office logme in for 4/21		24.28
	APR2021	Late fees and Interest charge for 4/21		36.13
	APR2021	WIndshield Window repair for 4/21		192.00
	APR2021	EB Watret education (director) for 4/21		249.00
	APR2021	Office supplies for 4/21		295.72
Total for Check Number 36979:				1,613.11
36980	C103	CBEC ECO ENGINEERING INC	05/20/2021	
	17-1003-5-5	CL/PS.Hydrologic Monitoring Yr.'21 for 4/ 1/ to 4/30/21		7,311.45
Total for Check Number 36980:				7,311.45
36981	W400	CITY OF WATSONVILLE UTILITIES	05/20/2021	
	AC#02389-OFFIC	Office Monthly Utilities for 4/12 to 5/11/21		153.42
Total for Check Number 36981:				153.42
36982	G170	GRAINGER	05/20/2021	
	9877094277	field supplies for CD's & Meters for 4/21		1,597.42
Total for Check Number 36982:				1,597.42
36983	G190	GREEN RUBBER KENNEDY AG. INC.	05/20/2021	
	W-558075	Turnout parts to remove CLA Valves for 4/21		50.73
Total for Check Number 36983:				50.73
36984	M1872	MICROSOFT	05/20/2021	
	E0400EH82Z	IT-Online Hydrology 365 Support for 4/17-5/16/21		12.50
Total for Check Number 36984:				12.50
36985	M1875	MICROSOFT AZURE	05/20/2021	
	E0600EISQP	IT-Support Pay as You go for 3/12 to 4/11/21		15.00
Total for Check Number 36985:				15.00
36986	M1086	MILLER MAXFIELD, INC.	05/20/2021	
	0421PV	Pvwater April Awardness pre-production for 4/21		4,506.25
Total for Check Number 36986:				4,506.25
36987	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	05/20/2021	
	210416-19	Water Samples Groundwater for 4/16/21		360.00
	210421-22	GroundWater Samples for 4/21/21		310.00
	210422-33	SurfaceWater Samples for 4/22/21		1,030.00
	210422-34	SurfaceWater Samples for 4/22/21		345.00
	210422-35	Water Samples Groundwater for 4/22/21		180.00
	210423-10	SurfaceWater Samples for 4/23/21		1,330.00
	210423-12	Water Samples Groundwater for 4/23/21		90.00
Total for Check Number 36987:				3,645.00
36988	M1425	MONTEREY BAY PROFESSIONAL LANDSCAPE INC	05/20/2021	
	36091	Building Mo. Landscape Maint. For 5/11 & 5/18/21		196.00
Total for Check Number 36988:				196.00
36989	m1865	MONTGOMERY & ASSOCIATES	05/20/2021	
	9090-21-3	Professional Services for 3/1 to 3/31/21		54,777.75

Check No	Vendor No / Invoice No	Vendo / Descri	Check Date / Reference	Check
Total for Check Number 36989:				54,777.75
36990	N255	NHA ADVISORS	05/20/2021	
	00491	Communication & Meetings for 10/6 thru 3/18/21		3,406.25
Total for Check Number 36990:				3,406.25
36991	P800	PG & E	05/20/2021	
	1787734656-3	Service at 1859 Beach rd for 4/12 to 5/10/21		14,166.92
	9214983032-2	Service at 1931 Beach rd for 4/12 to 5/10/21		7,230.38
	9218085363-9	Service at 162 San Andreas Rd for 4/12 to 5/12/21		228.59
	9968544374-1	Service at 36 Brennan St for 4/12 to 5/10/21		362.20
	9968544374-1	Service at 36 Brennan St for 4/12 to 5/10/21		120.73
Total for Check Number 36991:				22,108.82
36992	R50	RAIN FOR RENT INC	05/20/2021	
	1607132	CD's 2nd Portable Booster Unit for 5/21		42,603.20
Total for Check Number 36992:				42,603.20
36993	S1405	SC FUELS INC	05/20/2021	
	0390777	Agency Vehicles Fuel for 5/3 to 5/13/21		454.29
Total for Check Number 36993:				454.29
36994	S2940	SMITH & ASSOCIATES, INC	05/20/2021	
	D207960A	13 Real Properties appraisels for 4/21		22,000.00
Total for Check Number 36994:				22,000.00
36995	S2201	SPRINGBROOK HOLDING CO. LLC	05/20/2021	
	INV-005945	Utility billing Maint./Finance for 7/21 to 6/30/22		18,271.05
Total for Check Number 36995:				18,271.05
36996	S2400	STAPLES CREDIT PLAN	05/20/2021	
	9222	Field Supplies for 5/21		227.23
Total for Check Number 36996:				227.23
36997	S2865	SWCA ENVIRONMENTAL CONSULT. INC.	05/20/2021	
	126490	Nesting bird survey for telemetry Grant for 4/21		604.00
Total for Check Number 36997:				604.00
36998	T225	T.M. IRRIGATION SPECIALTIES INC	05/20/2021	
	18814	Turn out parts for low PSI drain for 4/21		130.16
Total for Check Number 36998:				130.16
36999	T305	TELSTAR INSTRUMENTS, INC.	05/20/2021	
	107722	SCADA software Troubleshooting for 4/28-4/29/21		320.00
Total for Check Number 36999:				320.00
37000	D310	UNITED STATES GEOLOGICAL SURVEY	05/20/2021	
	90898014	Study PV Hydrologic Model & Data collection for 10/1- 12/31/20		50,347.00
Total for Check Number 37000:				57,487.00
37001	V369	VERIZON WIRELESS	05/20/2021	
	9878759454	Agency Personnel Cell Phones & equipt. for 4/2 - 5/1/21		440.06
Total for Check Number 37001:				440.06
37002	W80	WAGEWORKS INC.	05/20/2021	
	INV2783601	Mo. Admin & Compliance fee for 4/21		110.00

Check No	Vendor No / Invoice No	Vendo / Descri	Check Date / Reference	Check
Total for Check Number 37002:				110.00
37003	Z100	ZAG TECHNICAL SERVICES, INC.	05/20/2021	
	115031	IT-Agreement Patching & AV Managed for 5/21		1,306.50
	115049	IT-Agreement Support 8x5 for 5/21		390.00
	115073	IT-Monthly Subscription Agreement-Datto for 5/21		815.00
	115228	IT-Monthly Subscription MS-CSP for 5/21		176.00
	115283	IT-Agreement Support 8x5 for 5/21		97.50
Total for Check Number 37003:				2,785.00
Total for 5/20/2021:				272,968.42
ACH	A1250	AFLAC- FLEX ONE	05/21/2021	
	EE Deferrals	EE PR Deferrals		592.30
Total for this ACH Check for Vendor A1250:				592.30
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	05/21/2021	
	EE Deferrals	EE PR Deferrals		4,565.00
Total for this ACH Check for Vendor N125:				4,565.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	05/21/2021	
	EE Deferrals	EE PR Deferrals		1,489.74
	EE Deferrals	ER/EE Retirement Contributions		8,842.49
Total for this ACH Check for Vendor P1300:				10,332.23
ACH	P555	PVWMA-Cafeteria Account	05/21/2021	
	EE Deferrals	EE PR Deferrals		1,146.47
Total for this ACH Check for Vendor P555:				1,146.47
Total for 5/21/2021:				16,636.00
		Report Total (76 checks):		795,169.84