PAJARO VALLEY WATER MANAGEMENT AGENCY

36 BRENNAN STREET • WATSONVILLE, CA. 95076
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ADMINISTRATION & FINANCE COMMITTEE MEETING
PV Water, 36 Brennan Street, Watsonville
Tuesday, January 9, 2024, 3:00 p.m.
MEETING AGENDA

1. Call to Order and Roll Call:

   Committee members: Bob Culbertson (Chair), Abel Sanchez, Amy Newell

2. Director Comments

3. Public Comments

4. Election of Officers for 2024: Chair, Vice Chair

5. Consider Approval of December 12, 2023, Administration & Finance Committee Meeting Minutes

6. Review Draft Annual Financial Report for Fiscal Year ended June 30, 2023

7. Conduct Annual Review of Administration & Finance Committee Bylaws

8. Consider Agreement with Gutierrez Consultants, Inc. for California Department of Conservation Multibenefit Land Repurposing Program Grant Administration in an amount not to exceed $705,795 through March 30, 2027

9. Consider Accepting Quarterly Reports
   a. Billing Summary
   b. Account Adjustments

10. Consider Accepting Financial Reports
    a. Activity Report
    b. Investment Report

11. Consider Accepting Cash Flow Reports
    a. A/R Aging Update
    b. A/P Report

12. Discuss future agenda items and next meeting date – Tuesday, February 13, 2024, 3:00 p.m.

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.

Adjournment

Remote Access for Meeting

Join the Administration & Finance Committee meeting from your computer, tablet or smartphone.
https://www.gotomeet.me/PVWater/pv-water-administration-finance-committee

You can also dial in using your phone.
United States (Toll Free): 1 877 309 2073
Access Code: 392-853-285

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ADMINISTRATION & FINANCE COMMITTEE
DRAFT MEETING MINUTES of
Tuesday, December 12, 2023, 3:00 p.m.
PV Water, 36 Brennan Street, Watsonville

Chair Culbertson called the meeting to order at 3:03 p.m.

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

   Committee Members Present: Bob Culbertson (Chair), Stephen Rider (Vice Chair), Amy Newell
   Staff Present: Brian Lockwood, General Manager (GM), Nancy Trevino (FASM), Priscilla Sanchez (FA)
   Others Present: None

2. **Director Comments:** Director Newell commented that Coral Davenport, a NY Times reporter was on assignment writing an article about farming and ground water in the Pajaro Valley; Ms. Davenport interviewed Director Newell, GM Lockwood and others.

3. **Public Comments:** None

4. **Consider Approving Minutes of November 7, 2023, Committee Meeting:**
   Action: Director Newell requested to correct the prior meeting minutes to reflect committee members present as Culbertson and Newell; Director Rider was absent. Also, Item 6, should remove the voting of Director Rider who was absent. Director Newell then moved to approve the November 7, 2023, meeting minutes with requested changes and place on the consent agenda; seconded by Director Culbertson.

   The motion carried following vote:

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

5. **Consider Proposed Employee Handbook Updates:**
   GM Lockwood provided some historical context, explained the most significant changes to the Employee Handbook and summarized the Employee Organization's (EO) requests from 2020 and 2023 respectively. Since it has been several years since the Handbook was last updated, most of the proposed changes relate to compliance

with current California labor law. A roundtable discussion of proposed revisions and EO requests ensued.

Action: Director Rider moved to accept proposed changes to the Employee Handbook and present the 2023 EO requests in closed session; seconded by Director Newell.

The motion carried following vote:

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

6. **Consider Updating Cash Reserve Policy for Fiscal Year Ending June 30, 2024:**
GM Lockwood updated the Committee with NHA's recommendation to increase the Agency's rate stabilization reserve so that the Agency shows a stronger cash position and credit rating for future debt acquisition. GM Lockwood clarified the use of actual forecasted expenditures in lieu of budgeted expenditures to calculate the total cash reserve, which allows the Agency to increase the rate stabilization reserve to $1M, effective immediately.

Action: Director Rider moved to accept the updated cash reserve policy ending June 30, 2024, with the following condition that the Agency work to increase the rate stabilization fund to $1.5M by 2029, and recommend the Board approve and place on the consent agenda; seconded by Director Rider.

The motion carried following vote:

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

7. **Consider 2022 Annual Report:**
GM Lockwood introduced the 2022 Annual Report. Director Newell recommended that Directors be included as having served on the Ad Hoc College Lake Adaptive Management Plan Committee. Director Newell also recommended that the section on telemetry meters be clarified to minimize confusion with turnouts. Director Newell also stated that the charts, which track precipitation, on Page 23, are identical and should be corrected to reflect accurate information.

Action: Director Newell moved to accept the 2022 Annual Report, with proposed changes, and recommend that the Board approve, and place on the consent agenda; seconded by Director Rider.

The motion carried following vote:

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

8. **Consider Amendment to Agreement with SWCA for College Lake Integrated Resources Management Project Environmental Monitoring and Permit Compliance During Construction:**
GM Lockwood explained the work SWCA has been doing to support the College Lake Project, the reasons for the amendment to the agreement, and responded to questions from the Committee.

Action: Director Newell moved to recommend that the Board approve the first amendment to the agreement with SWCA for CLIRM project environmental and permit compliance during construction; seconded by Director Rider.

The motion carried following vote:

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

9. **Consider Budget for Watsonville Slough System Hydrologic Monitoring Services with Balance Hydrologics**
GM Lockwood summarized the scope and budget for the Committee. Director Newell recommended consistency of using either Sloughs Study Area or Watsonville Slough System for clarity.

Action: Director Rider moved to accept the budget for WSSHM services with Balance Hydrologics and recommend that the Board approve and place on the consent agenda; seconded by Director Newell.

The motion carried following vote:

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

10. **Consider First Amendment to Agreement with NHA WIFIA Loan Support Services**
GM Lockwood summarized the work NHA has completed in support of PV Water to-date, including work related to the WIFIA loan. PV Water staff, in consultation with

Environmental Protection Agency staff, and consultants, has determined a need to split the original WIFIA loan into two separate loans. This first amendment is to fund the additional work necessary to complete the loan applications.

Action: Director Rider moved to accept the first amendment with NHA for WIFIA loan support services and recommend the Board approve and place on the consent agenda; seconded by Director Newell.

The motion carried following vote:

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

11. **Consider Agreement for Legal Services with Jones Hall, A Professional Law Corporation, for Special Counsel Services in Connection with Water Revenue Certificates of Participation and WIFIA Loans:**
GM Lockwood reiterated Jones Hall as special bond counsel, and how they work closely with NHA. Due to the splitting of the original WIFIA loan into two loans, this contract extends the scope of work to cover the additional work.

Action: Director Newell moved to accept the agreement with Jones Hall, A Professional Law Corporation, for Special Counsel Services in connection with Water Revenue Certificates of Participation and WIFIA Loans, and recommend the Board approve and place on the consent agenda; seconded by Director Rider.

The motion carried following vote:

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

12. **Consider Accepting Financial Reports:**
FASM Trevino provided an overview of the Financial Reports, highlighting the current cash position. Director Newell asked to re-clarify the process of drawing down funds from BNY Mellon and if the Construction Manager reviews the CLP construction invoices for accuracy. FASM Trevino explained the draw down process and how invoices are paid. GM Lockwood confirmed that the Construction Manager does review CLP invoices.

Action: Director Rider moved to accept the financial reports and recommend that the Board approve and place on the consent agenda; seconded by Director Newell.

The motion carried following vote:

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

13. **Consider Accepting Cash Flow Reports:**
FASM Trevino updated the Committee regarding the A/R Aging Report outstanding balance of $616K as of November 30, 2023, that several large payments have since been received to reduce the overall outstanding balance to date. The 120+ Day balances continue to be pursued by staff and legal action to collect payment.

Action: Director Newell moved to accept the cash flow reports and recommend the Board approve and place on the consent agenda; seconded by Director Rider.

The motion carried following vote:

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

14. **Discuss Future Agenda Items and Next Meeting Date:** The Committee recommended the following future agenda items including the review of by-laws, appointments of chair and vice chair. The next regular meeting date is set for Tuesday, January 9, 2024, 3:00 p.m.

Adjournment: 4:55 p.m.

MEMORANDUM

DATE: January 5, 2024
MEETING OF: January 9, 2024
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 6:** Review Annual Financial Report for Fiscal Year ended June 30, 2023

BACKGROUND

C.J. Brown & Company CPAs has audited the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Pajaro Valley Water Management Agency (PV Water) as of and for the fiscal year ended June 30, 2023.

The draft Financial Report results in an unqualified opinion, revealing that the PV Water's financial statements are presented fairly and are found to be in conformity with generally accepted accounting principles and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Jonathan Abadesco, CPA, with C.J. Brown & Company CPAs will present the Financial Statements at the meeting and answer questions.

FISCAL IMPACT

There is no new fiscal impact associated with accepting and filing the annual Financial Report for Fiscal Year ended June 30, 2023. C.J. Brown & Company CPAs has a not to exceed agreement in the amount of $24,649 to conduct the annual audit for the fiscal year ended June 30, 2023.

STAFF RECOMMENDATION

That Committee review the Financial Report and consider making a recommendation to the Board of Directors.

ATTACHMENTS

- Draft Financial Report for Fiscal Year ended June 30, 2023

Pajaro Valley
Water Management Agency

Pajaro Valley Water Management Agency

Annual Financial Report

For the Fiscal Year Ended June 30, 2023

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Mission Statement

"Pajaro Valley Water Management Agency is a state-chartered water management district 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. We also work to provide and ensure sufficient water supplies for present and future anticipated needs within our boundaries, generally the greater coastal Pajaro Valley."

Pajaro Valley Water Management Agency

Board of Directors as of June 30, 2023

Name	Title	Elected/ Appointed	Area Served
Amy Newell	Chair	Elected	Division C
Stephen Rider	Vice Chair	Elected	Division B
Bob Culbertson	Treasurer	Elected	Division D
Mary Bannister	Director	Elected	Division A
Javier Zamora	Director	Appointed	County of Monterey
Tom Broz	Director	Appointed	County of Santa Cruz
Abel Sanchez	Director	Appointed	City of Watsonville

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Pajaro Valley Water Management Agency
Brian Lockwood, General Manager
36 Brennan Street
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Pajaro Valley Water Management Agency

Annual Financial Report

For the Fiscal Year Ended June 30, 2023

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Pajaro Valley Water Management Agency
Annual Financial Report
For the Fiscal Year Ended June 30, 2023

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Financial Section

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Independent Auditor's Report

Board of Directors
Pajaro Valley Water Management Agency
Watsonville, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major funds of the Pajaro Valley Water Management Agency (Agency), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major funds of the Agency, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Agency's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Agency's fiscal year ended June 30, 2022, financial statements, and we expressed on unmodified audit opinion on those audited financial statements in our report dated January 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the required supplementary information on pages 42 through 49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

C.J. Brown & Company, CPAs
Cypress, California
January 17, 2024

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The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Pajaro Valley Water Management Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- The Agency's net position increased 7.80% or $6,276,569 to $86,758,648 from ongoing operations.
- The Agency's total revenues increased 7.51% or $1,140,764 to $16,340,817.
- The Agency's total expenses decreased 2.65%, or $274,243 to $10,064,248.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the Agency using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the Agency's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the Agency, and assessing the liquidity and financial flexibility of the Agency. All of the year's revenues and expenses are accounted for in the Statement of Activities. This statement can be used to determine the Agency's net operating reserves and credit worthiness.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the Agency in a way that helps answer this question. These statements use the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. These two statements report the Agency's *net position* and changes in it. Think of the Agency's net position – assets and deferred outflows of resources, less liabilities and deferred inflows of resources – as one way to measure the Agency's financial health or *financial position*. Over time, *increases or decreases* in the Agency's net position is one indicator of whether its *financial health* is improving or deteriorating; however, one will need to consider other non-financial factors to assess the *overall health* of the Agency.

Governmental Fund Financial Statements

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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Governmental Fund Financial Statements, continued

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance, continued

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Agency maintains four individual governmental funds. Information is presented separately in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance for the General, Special Revenue, Capital Projects, and Debt Service funds.

The fund financial statements can be found on pages 13 through 16 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 17 through 41.

Government-wide Financial Analysis

A summary of the Statements of Net Position is as follows:

Condensed Statements of Net Position

	2023	2022	Change
Assets:			
Current assets	$ 61,368,768	20,153,930	41,214,838
Non-current assets	303,406	349,007	(45,601)
Capital assets, net	94,114,914	85,218,352	8,896,562
Total assets	155,787,088	105,721,289	50,065,799
Deferred outflows of resources	933,080	314,353	618,727
Liabilities:			
Current liabilities	9,634,435	4,270,699	5,363,736
Non-current liabilities	59,859,274	20,378,428	39,480,846
Total liabilities	69,493,709	24,649,127	44,844,582
Deferred inflows of resources	467,811	904,436	(436,625)
Net position:			
Net investment in capital assets	74,798,359	62,948,967	11,849,392
Restricted	335,191	329,364	5,827
Unrestricted	11,625,098	17,203,748	(5,578,650)
Total net position	$ 86,758,648	80,482,079	6,276,569

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Government-wide Financial Analysis, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $86,758,648 as of June 30, 2023. A large portion of the Agency's net position ($74,798,359 or 86.21%) reflects its investment in capital assets (net of accumulated depreciation); less any related debt used to acquire those assets that are still outstanding. The Agency uses these capital assets for operations; consequently, these assets are *not* available for future spending. At the end of fiscal year 2023, the Agency reflected a positive balance in its unrestricted net position of $11,625,098 that may be utilized in future years. See note 12 to the financial statements for further information.

A summary of the Statements of Activities is as follows:

Condensed Statements of Activities

	2023	2022	Change
Revenues:			
Program revenues:			
Charge for services	$ 12,939,454	14,739,341	(1,799,887)
Capital grants and contributions	2,525,638	165,588	2,360,050
Total program revenues	15,465,092	14,904,929	560,163
General revenues:			
Management fees	371,975	353,849	18,126
Investment earnings	403,547	(89,710)	493,257
Other revenues	100,203	30,985	69,218
Total general revenues	875,725	295,124	580,601
Total revenues	16,340,817	15,200,053	1,140,764
Expenses:			
Water basin management	9,542,006	9,740,096	(198,090)
Interest on long-term debt	522,242	598,395	(76,153)
Total expenses	10,064,248	10,338,491	(274,243)
Changes in net position	6,276,569	4,861,562	1,415,007
Net position, beginning of year	80,482,079	75,620,517	4,861,562
Net position, end of year	$ 86,758,648	80,482,079	6,276,569

The Statement of Activities shows how the Agency's net position changed during the fiscal year. In the case of the Agency, net position increased 7.80% or $6,276,569 to $86,758,648, as a result of ongoing operations.

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Government-wide Financial Analysis, continued

The Agency's total revenues from all sources increased 7.51% or $1,140,764 to $16,340,817. Program revenues increased $560,163 due primarily to an increase of $2,360,050 in capital grants and contributions; which was offset by a decrease of $1,799,887 in charge for services. General revenues increased $580,601 due primarily to increases of $493,257 in investment returns, $69,218 in other revenues, and $18,126 in management fees.

The Agency's total expenses decreased 2.65% or $274,243 to $10,064,248 due primarily to decreases of $198,090 in water basin management and $76,153 in interest on long-term debt.

Governmental Fund Financial Analysis

The following table is a summary of the changes in fund balance for all governmental funds for the year ended June 30, 2023:

Condensed Changes in Fund Balance - Governmental Fund

		General	Special Revenue	Capital Projects	Debt Service	Total Fund Balance
Fund balance, beginning of year	$	3,607,904	15,282,607	(402,982)	329,409	18,816,938
Changes in fund balance		192,792	1,250,171	33,809,047	11,103	35,263,113
Fund balance, end of year	$	3,800,696	16,532,778	33,406,065	340,512	54,080,051

In 2023, total fund balance increased by 187.40% or $35,263,113 to $54,080,051. The General fund increased by 5.34% or $192,792 to $3,607,904; the Special Revenue fund increased by 8.18% or $1,250,171 to $16,532,778; the Capital Projects fund increased by 8,389.72% or $33,809,047 to $33,406,065; and the Debt Service fund increased by 3.37% or $11,103 to $340,512.

Budgetary Highlights

The budget for fiscal year 2022-2023 is based on the following economic factors and assumptions:

From July 1, 2022, through November 30, 2022, augmentation charges are $263/af of pumped groundwater outside the delivered water zone. Within the delivered water zone, the pumped ground water charge is $363/af, and the delivered water charge is $412/af. Rural residential users with unmetered wells pay an estimated 0.5 af/year of water usage at a rate of $123 per residence.

From December 1, 2022, through June 30, 2023, augmentation charges are $282/af of pumped groundwater outside the delivered water zone. Within the delivered water zone, the pumped ground water charge is $391/af, and the delivered water charge is $432/af. Rural residential users with unmetered wells pay an estimated 0.5 af/year of water usage at a rate of $132 per residence.

The final actual expenditures for the year ended June 30, 2023 was less than budgeted by $61,749 for the General Fund, less than budgeted by $1,529,423 for the Special Revenue fund, less than budgeted by $10,542,860 for the Capital Projects fund, and more than budgeted by $1,241 for the Debt Service fund. Actual revenues for the year ended June 30, 2023, were more than the anticipated budget by $4,942 for the General Fund, more than the anticipated budget by $350,626 for the Special Revenue fund, and more than the anticipated budget by $9,916 for the Debt Service fund.

For the year ended June 30, 2023, the final amended budgeted expenditures were reduced by $205 for the General Fund, reduced by $1,154,953 for Special Revenue Fund, and reduced by $3,077,499 for the Capital Projects Fund. For the year ended June 30, 2023, the final amended budgeted revenues were increased by $145,000 for General Fund, reduced by $4,765,000 for the Special Revenue Fund and $6,500,000 for the Capital Projects Fund. (See Budgetary Comparison Schedule under the Required Supplementary Information section on pages 42 through 45).

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Capital Asset Administration

The change in capital asset amounts for the year was as follows:

		Balance 2022	Additions	Deletions	Balance 2023
Non-depreciable assets	$	17,980,233	12,206,522	-	30,186,755
Depreciable assets		106,533,678	121,923	-	106,655,601
Accumulated depreciation		(39,295,559)	(3,431,883)	-	(42,727,442)
Total capital assets, net	$	85,218,352	8,896,562	-	94,114,914

At the end of fiscal year 2023, the Agency's investment in capital assets (net of accumulated depreciation) amounted to $94,114,914. The investment in capital assets includes Harkins Slough project, accelerated pipeline project, coastal distribution system, buildings and improvements, vehicle, office and field equipment, furniture and fixtures, capacity rights – water recycle plant, etc. See note 4 to the financial statements for further information.

Debt Administration

		Balance 2022	Additions	Principal Payment	Balance 2023
Note payable	$	3,141,223	-	(279,496)	2,861,727
Certificate of participation		-	40,612,948	-	40,612,948
Bond payable		18,919,629	-	(2,623,948)	16,295,681
Total long-term debt	$	22,060,852	40,612,948	(2,903,444)	59,770,356

In 2023, long-term debt increased by $40,612,948, due to the issuance of certificate of participation, and decreased by $2,903,444 due to principal payments on outstanding debt. See note 8 to the financial statements for further information.

Lease Payable

		Balance 2022	Additions	Principal Payment	Balance 2023
Lease payable	$	208,533	-	(49,386)	159,147
Total lease payable	$	208,533	-	(49,386)	159,147

In 2022, the Agency implemented Government Accounting Standards Board (GASB) Statement No. 87 – *Leases*. During the year, lease payable decreased due to principal payments on lease payable of $49,386. See note 7 to the financial statements for further information.

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Conditions Affecting Current Financial Position

Management is unaware of any other conditions, which could have a significant impact on the Agency's current financial position, net position, or operating results in terms of past, present, and future.

Requests for Information

This financial report is designed to provide the Agency's funding sources, customers, stakeholders, and other interested parties with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's Interim Finance & Administrative Services Manager, Nancy Trevino, at Pajaro Valley Water Management Agency, 36 Brennan Street, Watsonville California 95076 or (831) 722-9292.

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Basic Financial Statements

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Pajaro Valley Water Management Agency
Statement of Net Position
June 30, 2023

	2023
Current assets:	
Cash and cash equivalents (note 2)	$ 57,502,742
Cash and cash equivalents – restricted (note 2)	335,191
Accounts receivable, net	3,263,853
Interest receivable	82,414
Other receivable	35,136
Prepaid expenses and other assets	103,831
Long-term asset – due within one year:	
Lease receivable (note 3)	45,601
Total current assets	61,368,768
Non-current assets:	
Capital assets – not being depreciated (note 4)	30,186,755
Depreciable capital assets, net (note 4)	63,928,159
Long-term asset – due within one year:	
Lease receivable (note 3)	303,406
Total non-current assets	94,418,320
Total assets	155,787,088
Deferred outflows of resources:	
Deferred pension outflows (note 10)	933,080
Total deferred outflows of resources	$ 933,080

Continued on next page

See accompanying notes to the basic financial statements

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Pajaro Valley Water Management Agency
Statement of Net Position, continued
June 30, 2023

	2023
Current liabilities:	
Accounts payable	$ 7,175,279
Accrued wages payable	39,227
Accrued interest	235,438
Unearned revenue	28,610
Long-term liabilities – due within one year:	
Compensated absences (note 6)	88,083
Note payable (note 8)	227,127
Bonds payable (note 8)	1,790,000
Lease obligation (note 8)	50,671
Total current liabilities	9,634,435
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Compensated absences (note 6)	264,247
Net pension liability (note 10)	1,733,322
Note payable (note 8)	2,634,600
Certificate of participation (note 8)	40,612,948
Bonds payable (note 8)	14,505,681
Lease obligation (note 8)	108,476
Total non-current liabilities	59,859,274
Total liabilities	69,493,709
Deferred inflows of resources:	
Deferred pension inflows (note 10)	107,599
Deferred rent revenue	360,212
Total deferred inflows of resources	467,811
Net position: (note 11)	
Net investment in capital assets	74,798,359
Restricted	335,191
Unrestricted	11,625,098
Total net position	$ 86,758,648

See accompanying notes to the basic financial statements

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Pajaro Valley Water Management Agency
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Charge for Services	Capital Grants and Contributions	Net (Expenses Revenue and Changes in Net Position
Governmental activities:				
Water basin management	$ 9,542,006	12,939,454	2,525,638	5,923,086
Interest on long-term debt	522,242	-	-	(522,242)
Total governmental activities	$ 10,064,248	12,939,454	2,525,638	5,400,844
General revenues:				
Management fees				$ 371,975
Investment earnings				403,547
Other revenue				100,203
Total general revenues				875,725
Changes in net position				6,276,569
Net position, beginning of year				80,482,079
Net position, end of year				$ 86,758,648

See accompanying notes to the basic financial statements

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Pajaro Valley Water Management Agency
Balance Sheet
June 30, 2023

	General	Special Revenue	Capital Projects	Debt Service	Total Governmental Fund
Assets:					
Cash and cash equivalents	$ 3,737,892	13,760,168	40,000,000	4,682	57,502,742
Restricted cash	-	-	-	335,191	335,191
Accounts receivable	43,560	3,220,293	-	-	3,263,853
Interest receivable	17,503	64,272	-	639	82,414
Other receivable	-	35,136	-	-	35,136
Prepaid expenses	44,974	58,857	-	-	103,831
Interfund receivable (note 5)	1,951	-	-	-	1,951
Total assets	$ 3,845,880	17,138,726	40,000,000	340,512	61,325,118
Liabilities:					
Accounts payable	$ 16,174	569,449	6,589,656	-	7,175,279
Accrued wages payable	400	34,548	4,279	-	39,227
Unearned revenues	28,610	-	-	-	28,610
Interfund payable (note 5)	-	1,951	-	-	1,951
Total liabilities	45,184	605,948	6,593,935	-	7,245,067
Fund balance: (note 12)					
Non-spendable	44,974	58,857	-	-	103,831
Restricted	-	-	-	340,512	340,512
Committed	1,425,238	15,294,160	68,697,164	-	85,416,562
Assigned	352,330	-	-	-	352,330
Unassigned	1,978,154	1,179,761	(35,291,099)	-	(32,133,184)
Total fund balance	3,800,696	16,532,778	33,406,065	340,512	54,080,051
Total liabilities and fund balance	$ 3,845,880	17,138,726	40,000,000	340,512	61,325,118

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See accompanying notes to the basic financial statements

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Pajaro Valley Water Management Agency
Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position
June 30, 2023

Reconciliation:

Fund balance of governmental fund	$	54,080,051
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Long-term assets used in governmental activities are not current financial resources and, therefore, not in the governmental fund balance sheet. However, the Statement of Net Position includes those capital position among the assets of the Agency as a whole.		
Capital assets, net		94,114,914
Lease receivable		349,007
Deferred pension outflow		933,080
Long-term liabilities applicable to the Agency are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Accrued interest		(235,438)
Compensated absences		(352,330)
Note payable		(2,861,727)
Certificate of Participation		(40,612,948)
Bonds payable		(16,295,681)
Lease payable		(159,147)
Net pension liability		(1,733,322)
Deferred pension inflow		(107,599)
Deferred rent inflow		(360,212)
Net position of governmental activities	$	86,758,648

See accompanying notes to the basic financial statements

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Pajaro Valley Water Management Agency
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2023

	General	Special Revenue	Capital Projects	Debt Service	Total Governmental Fund
Revenues:					
Charge for services:					
Augmentation charges	$ -	11,185,362	-	-	11,185,362
Water sales	-	1,818,759	-	-	1,818,759
Capital grants and contributions	-	2,525,638	-	-	2,525,638
Management fees	371,975	-	-	-	371,975
Interest return	82,853	310,778	-	9,916	403,547
Other income	80,114	20,089	-	-	100,203
Total revenues	534,942	15,860,626	-	9,916	16,405,484
Expenditures:					
Office administration	294,449	770,176	-	-	1,064,625
Board support	37,713	-	-	-	37,713
Education and outreach	9,988	129,237	-	-	139,225
Grant administration	-	87,574	-	-	87,574
Conservation	-	408,241	-	-	408,241
Harkins Slough facility	-	172,343	-	-	172,343
Coastal distribution system	-	669,638	-	-	669,638
Supplemental water (In-Basin)	-	373,403	-	-	373,403
BMP network improvements	-	-	19,662	-	19,662
Recycled water facility	-	2,230,597	-	-	2,230,597
Metering program	-	509,882	-	-	509,882
Basin modeling	-	117,493	-	-	117,493
Basin monitoring	-	175,167	-	-	175,167
In-Basin management plan	-	68,609	-	-	68,609
Regional water management plan	-	7,599	-	-	7,599
Out-of-Basin funding	-	98,247	-	-	98,247
In-Basin funding	-	16,536	-	-	16,536
Harkins Slough recharge facilities	-	-	298,554	-	298,554
College Lake project	-	-	11,309,151	-	11,309,151
Watsonville Slough & North Dunes	-	-	302,428	-	302,428
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	2,694,494	2,694,494
Interest	-	-	-	731,190	731,190
Total expenditures	342,150	5,834,742	11,929,795	3,425,684	21,532,371
Excess(deficiency) of revenues over expenditures	192,792	10,025,884	(11,929,795)	(3,415,768)	(5,126,887)
Other financing sources(uses):					
Proceeds from debt	-	-	40,390,000	-	40,390,000
Operating transfers in (note 5)	-	-	5,348,842	3,426,871	8,775,713
Operating transfers out (note 5)	-	(8,775,713)	-	-	(8,775,713)
Total other financing sources(uses)	-	(8,775,713)	45,738,842	3,426,871	40,390,000
Changes in fund balance	192,792	1,250,171	33,809,047	11,103	35,263,113
Fund balance, beginning of year	3,607,904	15,282,607	(402,982)	329,409	18,816,938
Fund balance, end of year	$ 3,800,696	16,532,778	33,406,065	340,512	54,080,051

See accompanying notes to the basic financial statements

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Pajaro Valley Water Management Agency
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Reconciliation:

Net change in fund balance of governmental fund	$	35,263,113
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures; however, in the Statement of Net Position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, the amounts are as follows:		
Capital outlay		12,328,445
Current year depreciation		(3,431,883)
Lease receivable reported in the Statement of Net Position do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds as follows:		
Lease receivable		(64,667)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes current financial resources of governmental funds. However, neither transaction has any effect on the Statement of Activities. In the current period, the amounts are as follows:		
Proceeds from debt financing		(40,612,948)
Principal payments on note payable		279,496
Principal payments on bond payable		2,415,000
Principal payments of lease payable		49,386
Amortization of bond premium		208,948
Net pension liability and deferred outflows (inflows) reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds as follows:		
Deferred pension outflows		618,727
Deferred pension inflows		385,665
Deferred rent inflows		50,960
Net pension liabilities		(1,168,266)
Compensated absences reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(45,407)
Changes in net position of governmental activities	$	6,276,569

See accompanying notes to the basic financial statements

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(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Pajaro Valley Water Management Agency (Agency) was formed in 1984 to provide integrated management of the ground and surface water resources within the Pajaro Basin. The Agency is responsible for the management and augmentation of the water supplies for domestic, agricultural, municipal, and industrial purposes. In 1980, the State Department of Water Resources issued Bulletin 118-80, which identified 447 separate groundwater basins, sub-basins, and areas of potential groundwater storage throughout the State. The Agency's boundaries include the communities of Division A (Corralitos and La Selva Beach), Division B (Freedom), Division C (Watsonville and Pajaro), and Division D (Las Lomas, Moss Landing, and Aromas) and encompasses the Pajaro Watershed. The Agency is governed by a Board of Directors made up of seven members elected or appointed by qualified voters.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the Agency are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the Agency are to be reported in three categories, if applicable: 1) charge for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charge for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for all major governmental funds. Incorporated into these statements is a schedule to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the Government-wide Financial Statements. The Agency has presented its General Fund as its major fund in these statements to meet the qualifications of GASB Statement No. 34.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Governmental Fund Financial Statements, continued

Accordingly, revenues are recorded when received in cash, except revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the Agency are property taxes and assessments, interest earnings, investment revenue, and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the Agency or meets the following criteria:

a) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and

b) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined; or

c) The entity has determined that a fund is important to financial statement users.

The Agency reports the following major governmental fund:

- **General Fund** – a government's primary operating fund. It accounts for all financial resources of the Agency, except those required to be accounted for in another fund when necessary.
- **Special Revenue Fund** – accounts for revenues derived from specific sources, which are usually required by law or regulation, to be accounted for in separate funds.
- **Debt Service Fund** – accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- **Capital Projects Fund** – accounts for the financial resources to be used for the acquisition or construction of major capital facilities and infrastructure improvements.

C. Financial Reporting

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles applicable to governmental entities.

The Agency has adopted the following GASB pronouncements in the current year:

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

The Agency considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

3. Investments and Investment Policy

The Agency has adopted an investment policy to deposit and invest funds in financial institutions in accordance with California Government Code section 53600. The investment policy applies to all financial assets and investment activities of the Agency.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

4. Accounts Receivable and Allowance for Uncollectible Accounts

The Agency periodically evaluates receivables for collectability on an individual account basis and records an allowance for any amounts determined to be uncollectible.

5. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

6. Lease receivables

Lease receivables are measured at the present value of payments expected to be received during the lease term.

7. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Agency policy has set the capitalization threshold for reporting capital assets at $5,000. Donated assets are recorded at acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances, and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings and improvements – 15 to 30 years
- Infrastructure – 80 years
- Equipment – 5 to 25 years
- Vehicles – 7 to 10 years
- Furniture and fixtures – 5 years
- Water rights – Recycle Water Facility – 25 years

8. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources that is applicable to future periods.

9. Compensated Absences

The Agency allows employees to accrue vacation, sick, and compensation time based on an employee's hourly rate at year end. Upon termination of an employee, the Agency is required to pay accrued vacation, sick, and compensation time to a maximum of 360 hours, 720 hours, and 80 hours, respectively.

Accumulated vacation, sick, and compensation time are recorded as an expense and a liability in the government-wide financial statements at the time the liability is incurred.

10. Lease Payables

Lease payables are measured at the present value of payment expected to be made during the lease term.

11. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources that is applicable to future periods.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

12. Pensions

For purposes of measuring net pension liability and deferred outflows/inflows of resources related to pension and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plans (Plans), and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation date: June 30, 2021
- Measurement date: June 30, 2022
- Measurement period: July 1, 2021 to June 30, 2022

13. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets.
- **Restricted** – consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – consists of net position that does not meet the definition of *restricted* or *net investment in capital assets* components of net position.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

14. Fund Balance

The governmental fund financial statements report fund balance as non-spendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the Agency is bound to honor constraints on how specific amounts can be spent.

- **Non-spendable** – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed** – amounts that can only be used for specific purposes determined by formal action of the Agency's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned** – amounts that are constrained by the Agency's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the Agency's special revenue funds.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

15. Fund Balance, continued

- **Unassigned** – the residual classification for the Agency's General Fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditure incurred for specific purposes exceeds the amounts restricted, committed, or assigned for those purposes.

The Board of Directors establishes, modifies, or rescinds fund balance commitments and assignments by approving contractual commitments, an ordinance, or a resolution. This is done through adoption of a budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

The Agency believes that sound financial management principles require that sufficient funds be retained by the Agency to provide a stable financial base at all times. To retain this stable financial base, the Agency needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the Agency and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balance classifications are considered unrestricted.

The purpose of the Agency's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

16. Management Fees

Management fees are billed by Santa Cruz, San Benito, and Monterey counties. Management fees are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The counties bill and collect management fees and remit them to the Agency.

17. Augmentation Charges

Augmentation charges, based on quantity of water usage, are billed and collected in two ways. Unmetered or rural residential accounts are billed annually by the Agency on June 30. Delinquent accounts are turned over to a collection agency after other recovery efforts have been exhausted. Metered accounts are billed quarterly by the Agency. Large delinquent accounts are collected through litigation after other recovery efforts have been exhausted.

All collected augmentation charge revenues are recorded in the Special Revenue fund accounts. All capital construction costs are paid with augmentation charges, grants, loans, and debt issuances.

18. Water Sales

Delivered water charge is collected for water delivered through the constructed project. This revenue is recorded in the Special Revenue fund accounts and spent in accordance with the Agency's Fund Accounting Policy.

19. Capital Contributions

Capital contributions represent cash and capital asset contributed to the Agency by property owners, granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

20. Budgetary Policies

The Agency's Board of Directors annually adopts a non-appropriated budget for the Agency. The Board of Directors' action is required for the approval of budget revisions.

(2) Cash and Investments

Cash and investments as of June 30 are classified in the accompanying financial statements as follows:

	2023
Cash and cash equivalents	$ 57,502,742
Cash and cash equivalents - restricted	335,191
Total cash and investments	$ 57,837,933

Cash and investments as of June 30 consist of the following:

	2023
Cash on hand	$ 225
Deposits with financial institutions	47,581,569
Local Agency Investment Fund (LAIF)	10,256,139
Total	$ 57,837,933

As of June 30, the Agency's authorized deposits had the following average maturities:

	2023
Deposits held with the California Local Agency Investment Fund (LAIF)	260 days

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized for the Agency by the California Government Code as follows:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
Federal Agency and Bank Obligations	None	50%	None
Local Agency Bonds	5 years	None	None
Certificates of Deposits	5 years	None	None
Negotiable Certificates of Deposits	5 years	30%	25%
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	20%	10%
Money market mutual funds	N/A	20%	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

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(2) Cash and Investments, continued

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The Agency's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of $5,000, in increments of $1,000.
- Withdrawals of $10 million or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. Of the bank balance, up to $250,000 held at each institution are federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

Interest Rate Risk

Interest rate risk is the risk that the change in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the change in market interest rates. It is the Agency's policy to structure its investment portfolio with securities whose maturity date is compatible with cash flow requirements, which will permit easy and rapid conversion into cash without substantial loss of value and will enable the Agency to meet all operating requirements which can be reasonably anticipated. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The policy is designed to minimize the interest rate risk. The Agency had no investments in debt instruments that would be subject to interest rate risk.

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(2) Cash and Investments, continued

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Agency's investment in LAIF is not rated.

Concentration of Credit Risk

The Agency's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for external investment pools) that represent 5% or more of the Agency's total investments at June 30, 2023.

(3) Lease Receivable

Lease receivable at June 30 consists of the following:

	Balance 2022	Additions	Rent	Balance 2023	Current Portion	Non-Current Portion
Lease receivable:						
Gem-Pack Berries, LLC	$ 91,952	-	(6,879)	85,073	7,336	77,737
S. Martinelli & Company	20,499	-	(20,499)	-	-	-
J.E. Farms, Inc.	301,223	-	(37,289)	263,934	38,265	225,669
Total lease receivable	$ 413,674	-	(64,667)	349,007	45,601	303,406

Gem-Pack Berries, LLC

On April 2022, the Agency entered into a lease agreement with Gem-Pack Berries, LLC (Tenant). The Agency has agreed to lease real property consisting of approximately 7.5 acres of farmable area. The term of the lease is for a 10-year period, commencing on January 2022 and terminating on December 2031. The Tenant agrees to pay $9,000 for 2022, which is subsequent adjusted thereafter annually by the change in Bay Area CPI All Urban Consumers Index. During the year, the Agency recognized inflows of resource of $8,945.

Future lease payments to be received are as follows:

Fiscal Year	Rent	Interest	Total
2024	$ 7,336	2,212	9,548
2025	7,813	2,021	9,834
2026	8,312	1,818	10,130
2027	8,832	1,602	10,434
2028	9,374	1,372	10,746
2029-2032	43,406	2,902	46,308
Total	85,073	11,927	97,000
Current	(7,336)		
Non-current	$ 77,737		

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(3) Lease Receivable, continued

S. Martinelli & Company

On June 2022, the Agency purchase land with an existing lease agreement with S. Martinelli & Company (Martinelli). The lease agreement is for real property consisting of approximately 8.5 acres agricultural land. The term of the lease is for a 10-year period, commencing on November 2013 and terminating on October 2023. Martinelli agrees to pay $19,006 per year for the 1st five years of the lease and $20,900 per year for the 2nd five years of the lease. Rent is due in two installments on November 1st and June 1st of each year. The lease was fully paid as of June 30, 2023.

J.E. Farms, Inc.

On June 2022, the Agency purchase land with an existing lease agreement with J.E. Farms, Inc. (J.E. Farms). The lease agreement is for real property consisting of approximately 17.0 acres agricultural land. The term of the lease is for an 8-year period, commencing on July 2021 and terminating on June 2029. J.E. Farms agrees to pay $44,880 per year for the 1st four years of the lease and $49,368 per year for the 2nd four years of the lease. Rent is due in two installments on July 1st and January 1st of each year.

Future lease payments to be received are as follows:

Fiscal Year		Rent	Interest	Total
2024	$	38,265	6,615	44,880
2025		39,266	5,614	44,880
2026		44,811	4,557	49,368
2027		45,984	3,384	49,368
2028		47,187	2,181	49,368
2029		48,421	947	49,368
Total		263,934	23,298	287,232
Current		(38,265)		
Non-current	$	225,669		

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(4) Capital Assets

The change in capital assets for fiscal year 2023 was as follows:

	Balance 2022	Additions	Deletions	Balance 2023
Non-depreciable assets:				
Land	$ 1,494,197	3,814,666	-	5,308,863
Easements	-	1,247,132	-	1,247,132
Construction in progress	16,486,036	7,144,724	-	23,630,760
Total non-depreciable assets	17,980,233	12,206,522	-	30,186,755
Depreciable assets:				
Harkins Slough project	20,293,839	-	-	20,293,839
Accelerated pipeline project	8,207,481	-	-	8,207,481
Coastal distribution system	40,532,638	-	-	40,532,638
Buildings and improvements	459,235	-	-	459,235
Vehicle	320,571	-	-	320,571
Office and field equipment	118,009	121,923	-	239,932
Furniture and fixtures	454	-	-	454
Capacity rights - water recycle plant	36,310,343	-	-	36,310,343
Right to use asset	253,908	-	-	253,908
Other assets	37,200	-	-	37,200
Total depreciable assets	106,533,678	121,923	-	106,655,601
Accumulated depreciation	(39,295,559)	(3,431,883)	-	(42,727,442)
Total depreciable assets, net	67,238,119	(3,309,960)	-	63,928,159
Total capital assets, net	$ 85,218,352			94,114,914

Major depreciable capital asset additions during fiscal year 2023 include the additions to the coastal distribution system, buildings and improvements, vehicle, and right to use asset.

Construction-in-Process

The Agency has been involved in various construction projects throughout the year. Projects that comprise construction-in-process balances at June 30 are as follows:

	2023
College Lake integrated resource management	$ 19,122,411
Watsonville Slough project with recharge basin	2,179,759
Harkins Slough facility upgrade	1,997,017
Other construction-in-process	331,573
Total construction-in-process	$ 23,630,760

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(5) Interfund Transactions

Interfund transfers generally are made for the purpose of capital project and debt service payments; these payments are made from the capital project and debt service funds and funded through the special revenue fund.

Transfers between funds during the year were as follows:

	Transfer In	Transfer Out
Special revenue	$ -	8,779,832
Debt service	3,426,871	-
Capital projects	5,352,961	-
Total	$ 8,779,832	8,779,832

(6) Compensated Absences

The change to compensated absences at June 30 was as follows:

	Balance 2022	Earned	Taken	Balance 2023	Current Portion	Long-term Portion
$	306,923	223,865	(178,458)	352,330	88,083	264,247

(7) Lease Payable

	Balance 2022	Additions	Rent	Balance 2023	Current Portion	Non-Current Portion
Lease payable:						
Avatel	$ 20,887	-	(4,265)	16,622	4,377	12,245
Arnold LLC	187,646	-	(45,121)	142,525	46,294	96,231
Total lease payable	$ 208,533	-	(49,386)	159,147	50,671	108,476

Avatel

On February 2022, the Agency entered into a lease agreement with Avatel Technologies (Avatel). Avatel has agreed to lease communications equipment to the Agency. The term of the lease is for a 5-year period, commencing on March 2022 and terminating on February 2027. The Agency agrees to pay $396 per month plus applicable taxes.

Principal and interest requirements to maturity are as follows:

Fiscal Year	Rent	Interest	Total
2024	$ 4,377	380	4,757
2025	4,492	265	4,757
2026	4,611	147	4,758
2027	3,142	31	3,173
Total	16,622	823	17,445
Current	(4,377)		
Non-current	$ 12,245		

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(7) Lease Payable, continued

Arnold LLC

On March 2022, the Agency entered into a lease agreement with Arnold LLC (Arnold). Arnold has agreed to lease a well, located in Santa Cruz County, to the Agency. The term of the lease is for a 5-year period, commencing on January 2022 and terminating on December 2026. The Agency agrees to pay $50,000 per year and additional charges for water pumped in excess of 150 acre-feet per year.

Principal and interest requirements to maturity are as follows:

Fiscal Year	Rent	Interest	Total
2024	$ 46,294	3,706	50,000
2025	47,498	2,502	50,000
2026	48,733	1,267	50,000
Total	142,525	7,475	150,000
Current	(46,294)		
Non-current	$ 96,231		

(8) Long-Term Debt

Changes in long-term debt at June 30 were as follows:

	Balance 2022	Additions	Payments	Balance 2023	Current Portion	Non-Current Portion
Notes payable:						
Department of Water Resources	$ 1,288,163	-	(221,820)	1,066,343	227,127	839,216
Clean Water State Revolving Fund	1,853,060	-	(57,676)	1,795,384	-	1,795,384
Total notes payable	3,141,223	-	(279,496)	2,861,727	227,127	2,634,600
Certificate of Participation (COP)						
2023 Water Revenue COP	-	40,390,000	-	40,390,000	-	40,390,000
Premium on COP	-	222,948	-	222,948	-	222,948
Total 2023 Water Revenue COP	-	40,612,948	-	40,612,948	-	40,612,948
Bonds payable:						
2015 Water Revenue Bonds	8,385,000	-	(1,940,000)	6,445,000	1,290,000	5,155,000
Premium on bonds	1,064,001	-	(157,629)	906,372	-	906,372
Total 2015 Water Revenue Bonds	9,449,001	-	(2,097,629)	7,351,372	1,290,000	6,061,372
2016 Water Revenue Bonds	8,765,000	-	(475,000)	8,290,000	500,000	7,790,000
Premium on bonds	705,628	-	(51,319)	654,309	-	654,309
Total 2016 Water Revenue Bonds	9,470,628	-	(526,319)	8,944,309	500,000	8,444,309
Total bonds payable	18,919,629	-	(2,623,948)	16,295,681	1,790,000	14,505,681
Total long-term debt	22,060,852	40,612,948	(2,903,444)	59,770,356	2,017,127	57,753,229
Less: current portion	(2,636,819)			(2,017,127)		
Non-current portion	$ 19,424,033			57,753,229		

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(8) Long-Term Debt, continued

Department of Water Resources

On June 15, 2005, the Agency entered into a promissory note with the Department of Water Resources (DWR) in the amount of $3,511,446. The loan proceeds were used for the construction of components of the Revised Basin Management Plan. Commencing on April 1, 2008, the note was payable in semi-annual installments of principal and interest of $111,049, with interest at 2.4%, maturing on September 30, 2027. On February 24, 2012, the Agency received $390,164 from the DWR related to unpaid retention and the repayment agreement was revised. Commencing on April 1, 2012, the note is payable in semi-annual installments of principal and interest of $125,708. There were no changes to the interest rate or maturity date.

Future debt service payments are as follows:

Fiscal Year		Principal	Interest	Total
2024	$	227,127	24,289	251,416
2025		232,698	18,718	251,416
2026		238,276	13,139	251,415
2027		244,029	7,386	251,415
2028		124,213	1,495	125,708
Total		1,066,343	65,027	1,131,370
Current		(227,127)		
Non-current	$	839,216		

Clean Water State Revolving Fund

In February 2016, the Agency was awarded grant and loan funding from the California State Water Resources Control Board (State Water Board) through a cooperative agreement (Agreement) with the loan amount totaling $1,978,522. The projects, under the grant and loan funding agreement, consist of increasing the recycled water storage and the addition of filtration and disinfection units at the recycled water treatment plant. Commencing on July 1, 2021, the note is payable in annual installments of principal and interest of $76,206, with interest at 1.0%, maturing on July 1, 2051.

Future debt service payments are as follows:

Fiscal Year		Principal	Interest	Total
2024	$	-	-	-
2025		58,252	17,954	76,206
2026		58,835	17,371	76,206
2027		59,423	16,783	76,206
2028		60,017	16,189	76,206
2029-2033		309,210	71,820	381,030
2034-2038		324,983	56,047	381,030
2039-2043		341,560	39,470	381,030
2044-2048		358,983	22,047	381,030
2049-2051		224,121	4,497	228,618
Total		1,795,384	262,178	2,057,562
Current		-		
Non-current	$	1,795,384		

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(8) Long-Term Debt, continued

2015 Water Revenue Refunding

On April 30, 2015, the Agency issued the 2015 Revenue Refunding Bond in the amount of $19,970,000. The bonds were issued to refund the 1999 Certificates of Participation and the State Water Resources Control Board Note Payables No. 1 and 2. The term of the bond calls for annual payments of principal and interest on March 1 of each year. The bond's interest rate ranges from 3.0% to 5.0% and matures on March 1, 2029.

Future debt service payments are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 1,290,000	257,850	1,547,850
2025	945,000	93,350	1,038,350
2026	990,000	146,100	1,136,100
2027	1,045,000	96,600	1,141,600
2028	1,070,000	65,250	1,135,250
2029	1,105,000	33,150	1,138,150
Total	6,445,000	692,300	7,137,300
Current	(1,290,000)		
Premium	906,372		
Non-current	$ 6,061,372		

2016 Water Revenue Refunding

On June 29, 2016, the Agency issued the 2016 Revenue Refunding Bond in the amount of $11,435,000. The terms of the bond call for semi-annual payments of interest on September 1 and March 1 of each year, and annual payments of principal on March 1 of each year. The bond's interest rate ranges from 2.0% to 5.0% and matures on March 1, 2036.

Future debt service payments are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 500,000	304,463	804,463
2025	515,000	290,713	805,713
2026	530,000	276,550	806,550
2027	555,000	250,050	805,050
2028	580,000	222,300	802,300
2029-2033	3,335,000	687,150	4,022,150
2034-2036	2,275,000	137,850	2,412,850
Total	8,290,000	2,169,076	10,459,076
Current	(500,000)		
Premium	654,309		
Non-current	$ 8,444,309		

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(8) Long-Term Debt, continued

2023 Water Revenue Certificates of Participation

On May 18, 2023, the Agency issued the 2023 Water Revenue Certificates of Participation (Certficate) in the amount of $40,390,000. Proceeds of the certificate will be used: (1) to finance a portion of the cost of the Agency's project; (2) fund the reserve fund through the purchase of the reserve policy, and (3) pay the costs of issuing the Certificates. The project is anticipated to consist of capital improvement projects for the Agency's College Lake Integrated Resources Management Project, which will consist of the development of College Lake as a water storage and supply source. The terms of the Certificate calls for semi-annual payments of interest on September 1 and March 1 of each year, and annual payments of principal commencing on March 1, 2030 and each year thereafter. The bond's interest rate ranges from 4.0% to 5.0% and matures on March 1, 2041.

Future debt service payments are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ -	1,251,569	1,251,569
2025	-	1,746,375	1,746,375
2026	-	1,746,375	1,746,375
2027	-	1,746,375	1,746,375
2028	-	1,746,375	1,746,375
2029-2033	2,060,000	8,583,625	10,643,625
2034-2038	4,865,000	7,870,375	12,735,375
2039-2043	8,945,000	6,199,725	15,144,725
2044-2048	10,960,000	4,186,825	15,146,825
2049-2053	13,560,000	1,732,294	15,292,294
Total	40,390,000	36,809,913	77,199,913
Current	-		
Premium	222,948		
Non-current	$ 40,612,948		

(9) Deferred Compensation Savings Plan

For the benefit of its employees, the Agency participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate. Generally, eligible employees may defer a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Agency is in compliance with this legislation. Therefore, these assets are not the legal property of the Agency and are not subject to claims by the Agency's general creditors. Market value of all plan assets held in trust at June 30, 2023, was $1,964,389.

The Agency has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* Since the Agency has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the Statement of Net Position.

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(10) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the Agency's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on CalPERS website or may be obtained from their executive office at 400 P Street, Sacramento, California 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Agency's CalPERS 2.0% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the Agency's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Agency participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous pool in effect at June 30, 2023, are summarized as follows:

	Miscellaneous Plan	
	Classic	**PEPRA**
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 service years	
Benefit payments	monthly for life	
Retirement age	50 - Minimum	52 - Minimum
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	6.92%	6.75%
Required employer contribution rates	10.87%	7.47%

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(10) Defined Benefit Pension Plan, continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that employer contribution rates for all public employers be determined on an annual basis by an actuary and shall be effective on July 1, following notice of the change in rates. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, contributions to the Plan were as follows:

	2023
Contributions – employer	$ 259,366

Net Pension Liability

As of June 30, 2023, the Agency reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2023
Proportionate share of net pension liability	$ 1,733,322

The Agency's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of June 30, 2023, the net pension liability of the Plan is measured as of June 30, 2022 (the measurement date). The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 (the valuation date), rolled forward to June 30, 2022, using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Agency's proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the measurement date June 30, 2022, was as follows:

	Miscellaneous
Proportion – June 30, 2021	0.01045 %
Change in proportion	0.00456
Proportion – June 30, 2022	0.01501 %

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(10) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources

For the year ended June 30, 2023, the Agency recognized a pension credit of $87,012. As of June 30, 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$ 259,366	-
Differences between actual and expected experience	11,495	-
Changes in assumptions	177,615	-
Net difference between projected and actual earnings on plan investments	317,499	-
Differences between actual contribution and proportionate share of contribution		(107,599)
Net adjustment due to differences in proportions of net pension liability	167,105	-
Total	$ 933,080	(107,599)

Deferred Pension Outflows (Inflows) of Resources, continued

As of June 30, 2023, the Agency reported $240,139 as deferred outflows of resources related to contributions subsequent to the measurement date. Pension contributions subsequent to the measurement date for the year ended June 30, 2023, will be recognized as a reduction of the net pension liability for the year ended June 30, 2023.

At June 30, 2023, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows/ (Inflows) of Resources
2024	$ 156,153
2025	136,862
2026	78,907
2027	194,193

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(10) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and methods:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increase	Varies by entry age and service
Mortality Table*	Derived using CalPERS membership data for all funds
Period upon which actuarial Experience survey assumptions were based	1997 – 2015
Post-retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies

* The mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. This discount rate is not adjusted for administrative expenses.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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(10) Defined Benefit Pension Plan, continued

Discount Rate, continued

The table below reflects the expected real rates of return by asset class.

Asset Class	New Strategic Allocation	Real Return 1-10[1,2]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021-22 Asset Liability Management Study.

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following table presents the Agency's proportionate share of the net pension liability for the Plan calculated using the discount rate, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate.

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Agency's net pension liability	$ 2,875,147	1,733,322	793,884

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 47 through 49 for the Required Supplementary Information.

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(11) Net Position

Calculation of net position as of June 30, is as follows:

		2023
Net investment in capital assets:		
Capital assets, net	$	94,114,914
Bond payable		(16,295,681)
Note payable		(2,861,727)
Lease obligation		(159,147)
Total net investment in capital assets		74,798,359
Restricted		
Restricted for debt service - cash and cash equivalents		335,191
Total restricted for debt service		335,191
Unrestricted net position:		
Non-spendable net position:		
Prepaid expenses and other assets		103,831
Total non-spendable net position		103,831
Spendable net position:		
Unrestricted		11,521,267
Total spendable net position		11,521,267
Total unrestricted net position		11,625,098
Total net position	$	86,758,648

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(12) Fund Balance

Calculation of fund balance as of June 30, is as follows:

	2023
Non-spendable:	
Prepaid expenses	$ 103,831
Total non-spendable	103,831
Restricted	
Restricted for debt service	340,512
Total restricted	340,512
Committed:	
Contracted capital projects	83,991,324
Contracted services	1,425,238
Total committed	85,416,562
Assigned:	
Compensated absences	352,330
Total assigned	352,330
Unassigned:	
Operations	(32,133,184)
Total unassigned	(32,133,184)
Total fund balance	$ 54,080,051

(13) Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2023, the Agency participated in the liability and property programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of $2 million, combined single limit at $9 million per occurrence. The JPIA purchases additional excess coverage layers: $30 million per occurrence for general, auto, and public official liability, which increases the limits on the insurance coverage noted above.
- Employee dishonesty coverage up to $100,000 per loss includes public employee dishonesty, forgery or alteration, and theft and computer fraud.

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(13) Risk Management, continued

- Property loss is paid at the replacement cost for property on file if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of $150 million per occurrence, subject to a $1,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to $50 million per occurrence, subject to various deductibles depending on the type of equipment.
- Workers' compensation insurance up to California statutory limits for all work related injuries/illnesses covered by California law. The ACWA/JPIA is self-insured up to $2 million and excess insurance coverage has been purchased.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Agency's insurance coverage during the year ended June 30, 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2023, 2022, and 2021.

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the issue date, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 100, continued

As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(15) Commitments and Contingencies

Construction Contracts

The Agency has a variety of agreements with various contractors and vendors relating to the installation, improvement, or modification of water facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the Agency's replacement reserves, capital contributions, and debt financing.

City of Watsonville

In April 2006, the Agency entered into an agreement with the City of Watsonville (City) for costs associated with the operation and maintenance of the Watsonville recycle plant which provides recycled water to the Agency. The City owns, operates, and maintains the distribution infrastructure and blending facilities. The Agency is entitled to water from the treatment plant. As part of the agreement, the Agency agreed to pay the City quarterly operation and maintenance costs of the treatment plant. In fiscal year 2023, the Agency paid the City $2,050,567 for the cost associated with the Watsonville recycle plant.

Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(16) Subsequent Events

Events occurring after June 30, 2023, have been evaluated for possible adjustment to the financial statements or disclosure as of January 17, 2024, which is the date the financial statements were available to be issued.

Required Supplementary Information

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Pajaro Valley Water Management Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended June 30, 2023

		Original Adopted Budget	Final Amended Budget	Actual Budgetary Basis	Variance Positive (Negative)
Revenues:					
Management fees	$	375,000	370,000	371,975	1,975
Investment return		10,000	60,000	82,853	22,853
Other income		-	100,000	80,114	(19,886)
Total revenues		385,000	530,000	534,942	4,942
Expenditures:					
Office administration		268,955	316,167	294,449	21,718
Board support		101,104	47,052	37,713	9,339
Special projects outreach		34,045	40,680	9,988	30,692
Total expenditures		404,104	403,899	342,150	61,749
Excess of revenues over expenditures		(19,104)	126,101	192,792	66,691
Fund balance - beginning of year		3,607,904	3,607,904	3,607,904	
Fund balance - end of year	$	3,588,800	3,734,005	3,800,696	

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Pajaro Valley Water Management Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Special Revenue Fund
For the Year Ended June 30, 2023

	Original Adopted Budget	Final Amended Budget	Actual Budgetary Basis	Variance Positive (Negative)
Revenues:				
Augmentation charges	$ 13,000,000	11,000,000	11,185,362	185,362
Water sales	2,200,000	2,525,000	1,818,759	(706,241)
Investment return	40,000	250,000	310,778	60,778
Grant income	5,000,000	1,700,000	2,525,638	825,638
Other income	35,000	35,000	20,089	(14,911)
Total revenues	20,275,000	15,510,000	15,860,626	350,626
Expenditures:				
Office administration	1,040,204	884,343	770,176	114,167
Education and outreach	192,014	158,952	129,237	29,715
Grant administration	134,848	103,146	87,574	15,572
Conservation	532,197	464,473	408,241	56,232
Harkins Slough facility	339,843	360,322	172,343	187,979
Coastal distribution system	1,242,437	957,624	669,638	287,986
Supplemental water (In-Basin)	856,329	520,470	373,403	147,067
Recycled water facility	2,648,516	2,605,694	2,230,597	375,097
Metering program	626,449	566,965	509,882	57,083
Basin modeling	186,829	152,629	117,493	35,136
Basin monitoring	264,464	208,068	175,167	32,901
In-Basin management plan	168,052	81,715	68,609	13,106
Regional water management plan	34,936	13,924	7,599	6,325
Out-of-Basin funding	179,473	253,416	98,247	155,169
In-Basin funding	72,527	32,424	16,536	15,888
Total expenditures	8,519,118	7,364,165	5,834,742	1,529,423
Excess of revenues over expenditures	11,755,882	8,145,835	10,025,884	1,880,049
Other financing sources:				
Proceeds from note	-	-	40,390,000	40,390,000
Transfers out	-	-	(8,775,713)	(8,775,713)
Total other financing sources	-	-	31,614,287	31,614,287
Net change in fund balance	11,755,882	8,145,835	41,640,171	33,494,336
Fund balance - beginning of year	15,282,607	15,282,607	15,282,607	
Fund balance - end of year	$ 27,038,489	23,428,442	56,922,778	

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Pajaro Valley Water Management Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2023

	Original Adopted Budget	Final Amended Budget	Actual Budgetary Basis	Variance Positive (Negative)
Revenues:				
Other income	$ 46,500,000	40,000,000	-	(40,000,000)
Total revenues	46,500,000	40,000,000	-	(40,000,000)
Expenditures:				
BMP network improvements	2,219,443	47,110	19,662	27,448
Harkins Slough recharge facilities	2,965,915	960,365	298,554	661,811
College Lake project	18,577,698	20,922,934	11,309,151	9,613,783
Struve Slough Diversion with Recharge Basin	1,787,098	542,246	302,428	239,818
Total expenditures	25,550,154	22,472,655	11,929,795	10,542,860
Deficiency of revenues over expenditures	20,949,846	17,527,345	(11,929,795)	(29,457,140)
Other financing sources:				
Transfers in	-	-	5,348,842	(5,348,842)
Total other financing sources	-	-	5,348,842	(5,348,842)
Net change in fund balance	20,949,846	17,527,345	(6,580,953)	(34,805,982)
Fund balance - beginning of year	(402,982)	(402,982)	(402,982)	
Fund balance - end of year	$ 20,546,864	17,124,363	(6,983,935)	

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Pajaro Valley Water Management Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Debt Service Fund
For the Year Ended June 30, 2023

	Original Adopted Budget	Final Amended Budget	Actual Budgetary Basis	Variance Positive (Negative)
Revenues:				
Investment return	$ -	-	9,916	9,916
Total revenues	-	-	9,916	9,916
Expenditures:				
Debt service:				
Principal	2,693,555	2,693,555	2,694,494	(939)
Interest	730,888	730,888	731,190	(302)
Total expenditures	3,424,443	3,424,443	3,425,684	(1,241)
Deficiency of revenues over expenditures	(3,424,443)	(3,424,443)	(3,415,768)	8,675
Other financing sources:				
Transfers in	-	-	3,426,871	(3,426,871)
Total other financing sources	-	-	3,426,871	(3,426,871)
Net change in fund balance	(3,424,443)	(3,424,443)	11,103	3,435,546
Fund balance - beginning of year	329,409	329,409	329,409	
Fund balance - end of year	$ (3,095,034)	(3,095,034)	340,512	

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Basis of Budgeting

The Agency follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year, the Agency's management and staff prepare and submit a capital and operating budget to the Board of Directors and are adopted no later than June of each year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual budgets are adopted on the modified accrual basis of accounting for government fund types. The adopted budget becomes operative on July 1.

The Board of Directors must approve all supplemental appropriations to the budget and transfers between major funds. The legal level of budgetary control is at the fund level. Budget information is presented as required supplementary information for the General, Special Revenue, Capital Projects, and Debt Service funds.

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Pajaro Valley Water Management Agency
Schedules of the Agency's Proportionate Share of the Net Pension Liability
As of June 30, 2023
Last Ten Years*

Description	Measurement Dates								
	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14
Agency's proportion of the net pension liability	0.01501%	0.01045%	0.01300%	0.01261%	0.01218%	0.01238%	0.01207%	0.01173%	0.01310%
Agency's proportionate share of the net pension liability	$ 1,733,322	565,056	1,414,845	1,292,431	1,173,363	1,227,637	1,044,568	805,081	795,051
Agency's covered payroll	$ 1,454,575	1,185,090	1,082,474	1,166,180	1,095,085	1,160,676	1,012,215	957,312	908,004
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	119.16%	47.68%	130.70%	110.83%	107.15%	105.77%	103.20%	84.10%	87.56%
Plan's fiduciary net position as a percentage of the Plan's total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to the Schedules of the Agency's Proportionate Share of Net Pension Liability

Changes in Benefit Terms

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Change of Assumptions and Methods

In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

In fiscal year 2021, there were no changes to actuarial assumptions or methods.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses.

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Notes to the Schedules of the Agency's Proportionate Share of Net Pension Liability

Change of Assumptions and Methods, continued

These changes will apply only to new UAL bases established on or after June 30, 2019. In fiscal year 2020, no changes have occurred to the actuarial assumptions in relation to financial reporting.

In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period, and remained adjusted for administrative expenses.

* The District has presented information for those years for which information is available until a full 10- year trend is compiled.

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Pajaro Valley Water Management Agency
Schedules of Pension Plan Contributions
As of June 30, 2023
Last Ten Years*

Description	Fiscal Years Ended 06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
Actuarially determined contribution	$ 259,366	240,139	218,379	211,886	188,755	169,459	148,790	133,907	125,928
Contributions in relation to the actuarially determined contribution	(259,366)	(240,139)	(218,379)	(211,886)	(188,755)	(169,459)	(143,115)	(145,038)	(125,928)
Contribution deficiency (excess)	$ -	-	-	-	-	-	5,675	(11,131)	-
District's covered payroll	$ 1,332,456	1,454,575	1,185,090	1,082,474	1,166,180	1,095,085	1,160,676	1,012,215	957,312
Contributions as a percentage of covered payroll	19.47%	16.51%	18.43%	19.57%	16.19%	15.47%	12.33%	14.33%	13.15%

Notes to the Schedules of Pension Plan Contributions

* The Agency has presented information for those years for which information is available until a full 10-year trend is compiled.

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Report on Internal Controls and Compliance

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Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Pajaro Valley Water Management Agency
Watsonville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pajaro Valley Water Management Agency (Agency) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the Agency's basic financial statements, and have issued our report thereon dated January 17, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs
Cypress, California
January 17, 2024

DRAFT

MEMORANDUM

DATE: January 5, 2024
MEETING OF: January 9, 2024
TO: Administration and Finance Committee
FROM: General Manager
RE: **ITEM 7:** Conduct Annual Review of Administration & Finance Committee Bylaws

BACKGROUND

The Administration & Finance Committee (Committee) is an existing, standing committee of the Pajaro Valley Water management Agency Board of Directors that meets monthly to review administrative and finance matters for the Agency and make recommendations to the Board. The Board last adopted bylaws for this Committee at its February 20, 2019, meeting.

Article VII, "Administration" of the Administration and Finance Committee's Bylaws calls for the bylaws to be "reviewed annually for recommended updates or more often if requested by the Committee and/or the Board."

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Committee review its bylaws.

ATTACHMENTS

- Resolution 2019-04 Amending Bylaws for the Administration and Finance Committee

Resolution 2019-04

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

Amending Bylaws for the Administration and Finance Committee

WHEREAS, each year the Board of Directors of the Pajaro Valley Water Management Agency ("PV Water") appoints three Directors to serve on its Administration and Finance Committee ("Committee"), a standing committee of the Board;

WHEREAS, the Board established bylaws to govern the Committee at its April 20, 2016 meeting;

WHEREAS, on February 12, 2019, the Committee voted to recommend approval of the Amended "Pajaro Valley Water Management Agency Administration and Finance Committee Bylaws," attached hereto.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Pajaro Valley Water Management Agency hereby:

Amend the attached Pajaro Valley Water Management Agency Administration and Finance Committee Bylaws.

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **20th** day of **February, 2019**, by the following vote:

AYES: **Newell, Culbertson, Bannister, Zamora, Bussey, Broz**

NOES: **None**

ABSENT: **None**

ABSTAIN: **None**

Amy R. Newell

Amy Newell, Chair

Attest:

L R Taay

Laura R. Taay, Board Secretary

PAJARO VALLEY WATER MANAGEMENT AGENCY

ADMINISTRATION AND FINANCE COMMITTEE BYLAWS

ARTICLE I: PURPOSE

The purpose of the Administration and Finance Committee ("Committee") is to advise the Board of Directors ("Board") and staff of the Pajaro Valley Water Management Agency ("Agency") on administrative and financial oversight for the organization.

ARTICLE II: STRUCTURE

The Committee shall constitute a standing committee of the Agency and shall meet until otherwise directed by the Board. The Committee's subject matter jurisdiction is limited to matters expressed herein, together with all matters necessarily incidental thereto. Except as otherwise expressly provided in these bylaws or by resolution of the Board, the Committee does not make binding decisions on those matters; rather, the Committee makes recommendations to the Board.

ARTICLE III: OFFICERS

1. Officers of the Committee shall consist of a Chair and Vice Chair, which shall be selected from the members of the Committee and elected by a majority vote of the members present.
2. Election of the officers shall take place annually at the January meeting of the Committee.
3. The Vice Chair shall assume the role of Chair in the event the Chair is absent.
4. If a vacancy of the Chair or Vice-Chair occurs, it shall be filled by election at the next regularly scheduled committee meeting.

ARTICLE IV: MEMBERS

1. The Committee shall be comprised of three Directors from the Board.
2. Membership shall be for a term of one year.
3. At the Board's December meeting, the Board shall appoint the Directors to serve on the Committee for the following year, and the Board shall make a new appointment when a vacancy occurs on the Committee.
4. Three successive absences of a member without notifying the Committee shall be cause for the member to be removed from the Committee.

ARTICLE V: MEETINGS

1. The Committee shall comply with all applicable laws, including the Ralph M. Brown Act.
2. Committee meetings shall be held monthly one week prior to board meeting at a location and time established by the Committee and noticed on meeting agendas. Any future regular meeting of the Committee may be moved if approved by a majority of the members present at a regular meeting.
3. The Chair or Vice Chair may call a special meeting of the Committee after proper notification.
4. A majority of the members of the Committee constitutes a quorum of the Committee.
5. Any decision of the Committee and/or recommendation to the Board shall require a majority vote by the members present for passage.

6. Every member shall have one vote.
7. Meetings shall be open to the public and members of other governmental agencies. Visitors may express their opinions or make requests during public comment.
8. All meetings shall be conducted pursuant to *Rosenberg's Rules of Order*.
9. Minutes shall be taken at every meeting and shall be considered for approval at the next meeting.

ARTICLE VI: RESPONSIBILITIES

1. The Committee shall review, consider, and make a recommendation to the Board regarding the following:
    a. Monthly Reports:
        i. Financial Reports including: Activity Report, Investment Report, and Accounts Payable Report
        ii. A/R Aging and Collections Report
        iii. Preliminary Budget to Actual Report
    b. Quarterly Reports:
        i. Quarterly Billing Summary
        ii. Contract Commitments
        iii. Account Adjustments/Write offs
    c. Annual Review:
        i. Budget and Budget Amendments
        ii. Investment Policy
        iii. Cash Reserve Policy
    d. Updates to the Agency's Conflict of Interest Code as needed
    e. Other administrative and financial review as needed

ARTICLE VII: ADMINISTRATION

1. Agency staff shall prepare the agenda for each regular and special meeting of the Committee.
2. These Bylaws shall be reviewed annually for recommended updates or more often if requested by the Committee and/or the Board.

MEMORANDUM

DATE: January 4, 2024
MEETING OF: January 9, 2024
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 8:** Consider Agreement with Gutierrez Consultants, Inc., for California Department of Conservation Multibenefit Land Repurposing Program Grant Administration in an amount not to exceed $705,795 through March 30, 2027

BACKGROUND

The California Department of Conservation (DoC) awarded the Pajaro Valley Water Management Agency (PV Water) and partners an $8.9 million Multibenefit Land Repurposing Program (MLRP) grant in November 2023. PV Water's partners on this "regional block grant" include: the Resource Conservation District of Santa Cruz County (RCD), the University of California at Santa Cruz, the Land Trust of Santa Cruz County, Watsonville Wetlands Watch, the Pajaro Regional Flood Management Agency, and the Nature Conservancy. The City of Watsonville and the Amah Mutsun Land Trust are collaborators with PV Water and partners on this project. Development of the Pajaro Valley Multibenefit Land Repurposing Plan, and implementation of projects that optimize and repurpose marginalized agricultural lands, will help achieve groundwater sustainability, protect prime agricultural lands in this critically overdrafted Basin, protect and restore wetland habitat, reducing flood risk, protecting humans and human infrastructure.

As the grantee, PV Water will serve as Grant Administrator for the MLRP Grant. PV Water will follow the DoC's grant guidelines to ensure that invoices and reports are submitted, records are maintained for each funded project, and other grant requirements are satisfied. The costs associated with the grant administration are 100 percent reimbursable from the grant up to a total of approximately $705,795. Staff is recommending an agreement with Gutierrez Consultants, Inc., to provide grant management and administration services. The duration of the grant agreement is through March 30, 2027. The services to be provided by Gutierrez Consultants, Inc. are described in the scope of services, Exhibit A, to the attached agreement. All services are grant reimbursable.

FISCAL IMPACT

The fee estimate through March 30, 2027 is $705,795. All costs are grant reimbursable.

STAFF RECOMMENDATION

The Committee review the agreement with Gutierrez Consultants, Inc., consider making a recommendation to the Board.

ATTACHMENT

- Agreement with Gutierrez Consultants, Inc. in an amount not to exceed $705,795 through March 30, 2027

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

CONSULTANT AGREEMENT

To:	**Gutierrez Consultants**	**Date**:	January 18, 2024
	118 Diablo Ranch Court		
	Danville, CA 94506		
Tel:	(925) 766-5294		
Fax:			

Contract Amount:	**$705,795.00**	**Start Date:**	**January 18, 2024**	**End Date:**	**June 30, 2027**

Accepted:	**Pajaro Valley Water Management Agency**	**Consultant:**	**Gutierrez Consultants**
		FEIN:	
By:		**By:**	
	Brian Lockwood,		**Lidia Gutierrez**
Title	**General Manager**	**Title**	**President**
	Other authorized representative(s):		**Other authorized representative(s):**

CONSULTANT AGREEMENT

This Agreement is entered into and effective this ____day of January 18, 2024 by and between the **Pajaro Valley Water Management Agency ("PV Water"), and Gutierrez Consultants ("Consultant")** referred to herein individually as a "Party" and collectively as "the Parties."

WHEREAS, PVWater desires to hire Consultant for the purpose of **Multibenefit Land Repurposing Program Grant Administration** ("Project"); and,

WHEREAS, Consultant represents that it has the expertise, means, and ability to perform said duties as outlined within its proposal dated January , 2024 and received by PV Water on January 3, 2024 (Exhibit 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 March 30, 2027, 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 Exhibit 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, General Manager. 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): Lidia Gutierrez, President. 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

5. **Seven Hundred Five Thousand Seven Hundred Ninety Five Dollars ($705,795).** The fee for services will be based on the Fee Schedule included in Exhibit A of this Agreement.

5.1 Method of Payment. Consultant shall prepare and submit to PV Water detailed monthly 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 Exhibit 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 Exhibit A and does not exceed the maximum amount specified above.

5.2 Direct Expenses. Direct expenses are those outside costs and rates identified in Exhibit 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 Exhibit 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, PVWater may approve payment for said costs if authorized in writing by PVWater in advance.

6. 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.

7. 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 and agrees to indemnify, defend (with counsel approved by PV Water), and hold harmless PV Water, its directors, officers, employees and agents from and against any and all claims, demands, causes of action, damages, or expenses, (including attorney's fees and costs) arising from any alleged conflict of interest of Consultant in performance of such services. 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.

8. 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.

9. 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".

10. Sub-consultants. Except as provided in Exhibit 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.

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

12. 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.

13. 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.

14. Equal Employment Opportunity. Consultant agrees to refrain from discriminatory employment practices on the basis of age, 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.

15. 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 PVWater and waives and relinquishes all claims to copyright or other intellectual property rights in favor of PV Water.

16. 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.

17. 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 PVWater 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.

18. 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).

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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 PVWater:

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

If to Consultant:

Gutierrez Consultants
Attention: Lidia Gutierrez
118 Diablo Ranch Court
Danville, CA 94506
Telephone: (925) 766-5294

_____

27. 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.

28. 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.

29. 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.

30. 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.

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

32. 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.

33. 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.

34. 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.

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

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

37. Standard of Care. Consultant shall perform the services required hereunder in accordance with the prevailing standard of care by exercising the skill and ability ordinarily required of consultants performing the same or similar services, under the same or similar circumstances, in the State of California.

38. PV Water-Provided Information and Services. PV Water shall furnish Consultant available studies, reports and other data pertinent to Consultant's services; obtain or authorize Consultant to obtain or provide additional reports and data as required; furnish to Consultant services of others required for the performance of Consultant's services hereunder, and Consultant shall be entitled to use and rely upon all such

information and services provided by PV Water or others in performing Consultant's services under this Agreement. Consultant agrees to maintain the confidentiality of the information provided and not disclose to any third party, except as necessary to perform Consultant's services under this Agreement.

39. Estimates and Projections. Consultant has no control over the cost of labor, materials, equipment or services furnished by others, over the incoming water quality and/or quantity, or over the way PV Water's plant(s) and/or associated processes are operated and/or maintained. Data projections and estimates are based on Consultant's opinion based on experience and judgment. Consultant cannot and does not guarantee that actual costs and/or quantities realized will not vary from the data projections and estimates prepared by Consultant and Consultant will not be liable to and/or indemnify PV Water and/or any third party related to any inconsistencies between Consultant's data projections and estimates and actual costs and/or quantities realized by PV Water and/or any third party in the future.

40. Prevailing Wages for Public Work. To the extent that the work or services to be performed under this Agreement may be considered a "public work" (construction, alteration, demolition, or repair work) pursuant and subject to Labor Code section 1720 et seq., Consultant (and any subconsultant performing the work or services) shall conform to any and all prevailing wage requirements applicable to such work/and or services under this Agreement. Consultant (and any subconsultant) shall adhere to the prevailing wage determinations made by the Director of Industrial Relations (DIR) pursuant to California Labor Code Part 7, Chapter 1, Article 2, applicable to the work, if any. All workers employed in the execution of a public works contract (as such term is defined California Labor Code section 1720 et seq. and section 1782(d)(1)) must be paid not less than the specified prevailing wage rates for the type of work performed. (CA Labor Code sections 1720, 1774 and 1782.)

To the extent applicable to the scope of work and services under this Agreement, Consultant agrees to be bound by the state prevailing wage requirements, including, but not limited to, the following:

a. If a worker is paid less than the applicable prevailing wage rate owed for a calendar day (or any portion thereof), Consultant shall pay the worker the difference between the prevailing wage rate and the amount actually paid for each calendar day (or portion thereof) for which the worker(s) was paid less than the prevailing wage rate, as specified in Labor Code section 1775;
b. Consultant shall maintain and make available payroll and worker records in accordance with Labor Code sections 1776 and 1812;

c. If Consultant employs (and/or is legally required to employ) apprentices in performing the work and/or services under this Agreement, Consultant shall ensure compliance with Labor Code section 1777.5;

d. Consultant is aware of the limitations imposed on overtime work by Labor Code sections 1810 et seq. and shall be responsible for any penalties levied in accordance with Labor Code section 1813 for failing to pay required overtime wages;

e. Consultant shall post a copy of the applicable wage rates at each jobsite at a location readily available to its workers.

f. Any failure of Consultant and/or its subconsultant to comply with the above requirements relating to a public work project shall constitute a breach of this Agreement that excuses the PV Water's performance of this Agreement at the PV Water's sole and absolute option and shall be at the sole risk of Consultant. Consultant on behalf of itself and any subconsultant, agree to indemnify, defend and hold harmless the PV Water and its officials, officers, employees, and agents from and against any and all claims, liabilities, losses, costs, expenses, attorney's fees, damages, expenses, fines, financial consequences, interest, and penalties, of any kind or nature, arising from or relating to any failure (or alleged failure) of the Consultant and any subconsultant to pay prevailing wages or to otherwise comply with the requirements of prevailing wage law relating to a public work.

g. Consultant acknowledges that it and/or any subconsultant may not engage in the performance of any contract for public work unless currently registered with the DIR and qualified to perform public work pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

[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

GUTIERREZ CONSULTANTS

By: _____
Lidia Gutierrez, President

:

EXHIBIT “A”

Proposal and Fee Schedule

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.

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.

Exhibit A
Scope of Services
Multibenefit Land Repurposing Program Grant Administration

The Public Resources Trailer Bill of the California Budget Act of 2022 (AB 211, Ch. 574, Statutes of 2022), provides funding for the Department of Conservation (DOC) Multibenefit Land Repurposing Program (MLRP) Grant Program. On March 29, 2023, Pajaro Valley Water Management Agency (PV Water), on behalf of partnering agencies and organizations within the Corralitos-Pajaro Valley Groundwater Subbasin (Basin), submitted a grant application seeking $8.89 million for land repurposing planning and implementation projects in the Basin, as summarized below.

Budget Item	DOC Grant
Task 1: Agricultural Land Repurposing Plan	**$561,000**
Task 2: Project Development and Permitting	**$529,000**
Task 3: Project Implementation	**$6,014,845**
Task 4: Partner/Collaborator Capacity	**$79,600**
Task 5: Outreach, Education, Training	**$158,700**
Task 6: Monitoring	**$190,000**
Task 7: Research on Water Quality Improvements	**$132,000**
Task 8: General Grant Management and Reporting	**$705,795**
Other Expenses:	**$519,060**
Travel	$32,160
Administrative Costs (not to exceed 20% of the grant)	$486,900
Grand Total	**$8,890,000**

In June 2023, DOC announced final funding recommendations including a proposed full award of $8.89 million to the PV Water proposal. PV Water will act as Grant Administrator for the Basin. PV Water will follow the DOC MLRP Grant Guidelines and Grant Agreement to ensure that records are maintained for the program. The costs associated with the grant administration are 100 percent reimbursable from the grant. PV Water will contract with Gutierrez Consultants (CONSULTANT) to provide grant management and administration services. The duration of the grant agreement is estimated at 3.5 years, through March 30, 2027. The tasks services to be provided by CONSULTANT are described below.

Task 1: Project Management

CONSULTANT will perform ongoing grant management during the term of the grant contract, including coordination and project update calls and meetings with PV Water staff and

consultants, Project Partners, and DOC. CONSULTANT shall support PV Water staff in procuring, contracting, and managing planning and implementation MLRP consultants.

CONSULTANT shall prepare for and participate in monthly DOC MLRP meetings. CONSULTANT shall provide summaries of the meetings and support coordination with partners and consultants, as needed, to communicate meeting highlights and action items, if any.

Deliverables:

- Records of Communication
- Meeting Agenda
- Project Management Documentation
- Consultant Contracting Documents
- Monthly Meeting Summaries and Action Items

Task 2: DOC Grant Agreement and Amendments

The DOC grant agreement was executed on November 16, 2023. The Grant Agreement establishes the purpose of the grant, the grant amount, the term of the grant agreement, the scope, schedule and fee of the program, and PV Water's responsibilities as grant agent including reporting requirements, reimbursement submittal requirements, and performance evaluation requirements.

CONSULTANT shall support PV Water staff in monitoring the program scope, schedule and budget to ensure compliance with the terms of the grant agreement. If needed, CONSULTANT shall support the request for and documentation of grant amendments.

Deliverables:

- DOC/PV Water Grant Agreement
- DOC/PV Water Grant Amendment(s), as needed

Task 3: Project Partner Subagreements and Amendments

The MLRP will be implemented in partnership with the following five organizations:

- Resource Conservation District of Santa Cruz County (RCDSCC)
- University of California at Santa Cruz (UCSC)
- Land Trust of Santa Cruz County (Land Trust)
- Watsonville Wetlands Watch (WWW)
- Pajaro Regional Flood Management Agency (PRFMA)

CONSULTANT shall work with PV Water and Project Partner staff to draft and finalize subagreements, including workplans, schedules, and budgets for completing the work, compiling

required grant documentation, completing grant deliverables, and compliance with DOC reporting requirements.

Workplans will involve working with the project partners to update project tasks, milestones, and deliverables for each of the applicable tasks. Schedules will include working with the project partners to update project schedules, identifying project milestone dates, and developing the overall project implementation schedule. The overall grant schedule must incorporate all of the tasks. The schedule must show task start dates, task end dates, and task durations. Budget will include working with the project partners to update and document project budgets and expenditures to date, and identify and document eligible reimbursable expenditures.

CONSULTANT shall support PV Water staff in monitoring the program scope, schedule and budget to ensure compliance with the terms of the grant agreement. If needed, CONSULTANT shall support amendments to the subagreements.

Deliverables:

- PV Water/Project Partner Subagreements and Amendments

Task 4: Grant Invoicing and Reporting

This task includes the work necessary to support the preparation and submittal of grant invoices and progress reports. CONSULTANT shall work with PV Water and Project Partners' staff to support the preparation and submittal of grant invoices. The invoices must include a summary of the work completed and documentation of all project expenditures. These expenditures must be categorized consistent with the grant agreement budget and eligibility of grant expenditures must be verified. The documentation must include a summary of the work completed, verification of consistency with the original cost estimate, and description and justification for budget modifications.

Project Partners will be responsible for developing project status reports and providing this information to PV Water. The reports shall utilize the DOC invoice template and include the following information:

- Project Status:
    - Description of work performed by task,
    - Description of major accomplishments,
    - Discussion of any issues or concerns that may affect the schedule or budget and recommendations on how to correct the matter(s), and
    - Discussion of activities planned for the next reporting period
- Cost Information
    - Identification of costs incurred during the quarter including hours per task worked on during the reporting period for above personnel,
    - Discussion of how the actual budget is progressing in comparison to the latest budget, and
    - Provision of a revised budget, by task, if changed from the latest budget.

- Schedule Information
    - Provision of a project schedule showing actual progress versus planned progress from the latest schedule,
    - Discussion of how the actual schedule is progressing in comparison to the latest schedule, and
    - Provision of a revised schedule, by task, if changed from the latest schedule.

CONSULTANT will then consolidate project invoicing and reporting information for presentation to DOC, consistent with grant guidelines and grant agreements.

Deliverable:

- DOC Invoices and Reports

Task 5: Project Implementation Review Packets

CONSULTANT shall support the preparation and submittal of Project Implementation Review Packets. The packets are intended to facilitate the DOC review and approval of projects for implementation using MLRP funding. CONSULTANT shall support PV Water and Project Partner staff and consultants preparation of the submittal including items listed below. CONSULTANT shall support the preparation and submittal of additional project documentation, if requested by DOC.

Packet Item
Project summary
Project designs
Project maps
Implementation timeline
Budget
Proof of site access
Best Practices for Disadvantaged Community Engagement Checklist
Baseline documentation (at a minimum, before photos)
Draft monitoring plan (at a minimum, should include a list of performance measures to track outcomes)
Draft management plan (if available)
CEQA/NEPA documentation
GSA certification that groundwater recharge achieved will be subtracted from the groundwater available for extraction by water users (if applicable)
Permits (if available)

Deliverables:

- Project Implementation Review Packets

Task 6: MLRP Planning Support

CONSULTANT shall support the overall MLRP planning process to ensure consistency and compliance with the program. CONSULTANT shall prepare for and participate in MLRP planning meetings, as requested, and shall review MLRP planning documents to verify consistency with MLRP goals, objectives and grant requirements.

Deliverables:

- MLRP Planning Document Edits and Comments

Task 7: Final Report

CONSULTANT will prepare a final report at the completion of the program. The final report will include the following information:

1. Based on your experiences with this grant program, please provide feedback about how the Department can improve future grant programs.
2. Briefly summarize the Project's results and outcomes, including how the goals and objectives were accomplished, findings or conclusions, and planned or potential future projects that may result from the Project.
3. Include a list of other sources of funding that were secured, directly or indirectly, through this Project.
4. Describe and explain any differences between the planned results, as listed in the Work Plan, and the actual results. Include a discussion of any problems, barriers, or issues that occurred during the Project, corrective actions taken, and the outcomes.
5. Explain any plans to continue funding for the Project, and/or to expand, modify, or replicate the Project.
6. Attach any relevant documents to this report, including plans, photos, news articles, fliers, etc. If the documents cannot be sent electronically, notify the Grant Manager.
7. Equipment Inventory Record: Grantee must submit an inventory of all equipment acquired with grant funds at the end of the Project Completion Period using the template provided by DOC.

Deliverable:

- Final Report

Exhibit B
Schedule
Multibenefit Land Repurposing Program Grant Administration

The MLRP Grant duration is estimated at 3.5 years with grant administration occurring throughout the term of the grant. This scope of services covers the full term of the grant. The projected schedule is shown below.

Task	Start Date	End Date
Task 1: Project Management	September 22, 2023	March 30, 2027
Task 2: DOC Grant Agreement and Amendments	September 22, 2023	December 31, 2026
Task 3: Project Partner Subagreements and Amendments	January 1, 2024	December 31, 2026
Task 4: Grant Invoicing and Reporting	January 1, 2024	March 30, 2027
Task 5: Project Implementation Review Packets	January 1, 2024	December 31, 2026
Task 6: MLRP Planning Support	July 1, 2024	December 31, 2026
Task 7: Final Report	October 1, 2025	March 30, 2027

Exhibit C
Fee Estimate
Multibenefit Land Repurposing Program Grant Administration

The costs associated with the grant administration are 100 percent reimbursable from the grant up to a total amount of $705,795. The budget and rate sheet are shown below.

Budget

Task	Budget[1]
Task 1: Project Management	$224,880
Task 2: DOC Grant Agreement and Amendments	$18,000
Task 3: Project Partner Subagreements and Amendments	$78,480
Task 4: Grant Invoicing and Reporting	$185,328
Task 5: Project Implementation Review Packets	$51,480
Task 6: MLRP Planning Support	$82,368
Task 7: Final Report	$48,360
Travel	$16,899
TOTAL	**$705,795**

1. The budgets may shift between tasks with prior approval from PV Water.

Hourly Rates[1]

Classification	2023	2024	2025	2026	2027
Principal/Project Manager	$267	$276	$286	$296	$306

1. The individual hourly rate includes salary, overhead and profit. The hourly rate also includes ordinary expenses, including telecommunications, computer usage, and regular reproduction jobs. Other direct costs (ODCs) such as large reproduction jobs and travel expenses will be charged at actual cost plus 10%. Mileage will not be marked up. Subconsultants will be billed at actual cost plus 10%. Mileage rate will be that allowed by current IRS guidelines.

PV Water
Quarterly Billing Summary
Calendar Year

Type	2022 Consumption(AF)	2022 Dollar	2023 Consumption(AF)	2023 Dollar
March Billing				
Inside Delivered Water Zone	403.976	$ 146,643.12	156.974	$ 61,376.95
Metered	3,076.126	$ 809,021.62	1,173.059	$ 331,550.32
Non-Metered (agriculture)	0.000	$ -	4.419	$ 1,162.10
Delivered	417.650	$ 172,072.04	153.311	$ 66,230.54
Aromas	50.070	$ 13,168.41	46.450	$ 13,098.90
Cal Water	46.430	$ 12,211.09	46.810	$ 13,200.42
City of Watsonville	1,270.000	$ 334,010.00	1,193.000	$ 336,426.00
Vega Mutual	8.840	$ 2,324.92	6.880	$ 1,940.16
Pajaro/Sunny Mesa	68.800	$ 18,094.40	63.620	$ 17,940.84
Non-Metered (rural residential)	0.000	$ -	0.000	$ -
Subtotal	5,341.891	$ 1,507,545.60	2,844.524	$ 842,926.23
	Uncollected Amt a/o 4/30/22	**$ 315,914.28**	**Uncollected Amt a/o 4/30/23**	**$ 546,664.85**
	Percent of Uncollected Billing	**20.956%**	**Percent of Uncollected Billing**	**64.853%**
June Billing				
Inside Delivered Water Zone	1,454.677	$ 528,047.87	988.568	$ 386,530.03
Metered	8,982.320	$ 2,362,350.44	5,370.219	$ 1,514,401.91
Non-Metered (agriculture)	193.227	$ 50,818.18	194.603	$ 54,877.99
Delivered	1,340.262	$ 552,187.75	902.456	$ 389,861.00
Aromas	77.820	$ 20,466.66	56.660	$ 15,978.12
Cal Water	59.060	$ 15,532.78	55.440	$ 15,634.08
City of Watsonville	1,633.000	$ 429,479.00	1,396.000	$ 393,672.00
Vega Mutual	11.380	$ 2,992.94	12.650	$ 3,567.30
Pajaro/Sunny Mesa	82.160	$ 21,608.08	53.740	$ 15,154.68
Subtotal	13,833.906	$ 3,983,483.71	9,030.336	$ 2,789,677.11
Annual Rural Residential				
Consumption	1,258.00	$ 289,340.00	1,279.50	$ 314,757.00
Subtotal	15,091.91	$ 4,272,823.71	10,309.84	$ 3,104,434.11
	Uncollected Amt a/o 7/31/22	**$ 1,914,910.59**	**Uncollected Amt a/o 7/31/23**	**$ 1,009,774.61**
	Percent of Uncollected Billing	**44.816%**	**Percent of Uncollected Billing**	**32.527%**
September Billing				
Inside Delivered Water Zone	2,671.057	$ 969,593.53	2,658.524	$ 1,039,482.83
Metered	15,115.376	$ 3,975,344.16	12,417.249	$ 3,501,664.30
Non-Metered (agriculture)	0.000	$ -	0.000	
Delivered	2,325.849	$ 958,249.89	2,006.381	$ 866,756.45
Aromas	99.780	$ 26,242.14	96.360	$ 27,173.52
Cal Water	64.700	$ 17,016.10	68.740	$ 19,384.68
City of Watsonville	1,795.000	$ 472,085.00	1,728.000	$ 487,296.00
Vega Mutual	14.980	$ 3,939.74	13.690	$ 3,860.58
Pajaro/Sunny Mesa	97.910	$ 25,750.33	88.190	$ 24,869.58
Non-Metered (rural residential)	4.500	$ 1,035.00	5.000	$ 1,230.00
Subtotal	22,189.151	$ 6,449,255.90	19,082.134	$ 5,971,717.95
	Uncollected Amt a/o 10/31/22	**2,468,708**	**Uncollected Amt a/o 10/31/23**	**1,731,424**
	Percent of Uncollected Billing	**38.279%**	**Percent of Uncollected Billing**	**28.994%**
December Billing				
Inside Delivered Water Zone	1,030.787	$ 1,300,558.89	1,379.463	$ 539,370.22
Metered	4,953.388	$ 376,358.12	5,753.028	$ 1,622,353.86
Non-Metered (agriculture)	186.119	$ 48,949.21	184.278	$ 51,966.35
Delivered	981.596	$ 404,417.38	1,236.043	$ 533,970.65
Aromas	78.390	$ 20,616.57	76.560	$ 21,589.92
Cal Water	55.290	$ 14,541.27	64.560	$ 18,205.92
City of Watsonville	1,525.000	$ 401,075.00	1,546.000	$ 435,972.00
Vega Mutual	11.200	$ 2,945.60	11.400	$ 3,214.80
Pajaro/Sunny Mesa	86.380	$ 22,717.94	80.270	$ 22,636.14
Non-Metered (rural residential)	4.000	$ 920.00	1.500	$ 369.00
Subtotal	8,912.150	2,593,099.98	10,333.102	3,249,648.85
	Uncollected Amt a/o 1/31/23	**806,442**		
	Percent of Uncollected Billing	**31.100%**		
Total	**51,535.10**	**14,822,725.17**	**42,569.60**	**13,168,727.14**

PV Water
October - December 2023 Account Write Offs/Adjustments

Date	Account	Description	Amount	Reason
10/6/2023	12745	Non-Metered	$ (123.00)	Miss applied payment
10/6/2023	24245	Non-Metered	$ 123.00	Miss applied payment
10/6/2023	12761	Non-Metered	$ (123.00)	Billing adjustment
10/6/2023	25077	Non-Metered	$ (123.00)	Billing adjustment
10/6/2023	Several Accounts	Interest	$ (54.04)	Payments and pd crossed in mail
10/17/2023	12822-001	Meter Credit	$ (668.00)	Meter credit
10/31/2023	Several Accounts	Interest	$ (238.90)	Payments and pd crossed in mail
10/31/2023	22785	Non-Metered	$ (246.00)	Billing adjustment
10/31/2023	22785	Interest	$ (22.14)	Billing adjustment
10/31/2023	24104	Non-Metered	$ (123.00)	Billing adjustment
10/31/2023	24104	Interest	$ (5.55)	Billing adjustment
11/20/2023	Several Accounts	Interest	$ (4,832.09)	Payments and pd crossed in mail
11/20/2023	Several Accounts	Interest	$ (868.19)	Payments and pd crossed in mail
11/20/2023	24471	Interest	$ (830.62)	Payments and pd crossed in mail
11/20/2023	24306	Interest	$ (308.49)	Billing adjustment
11/21/2023	15617	Non-Metered	$ (64.85)	CCS collection fees
12/1/2023	226	Interest	$ (80.22)	Original invoice was not received
12/1/2023	228	Interest	$ (70.50)	Original invoice was not received
12/1/2023	236	Interest	$ (47.15)	Original invoice was not received
12/1/2023	2429-001	Interest	$ (30.85)	Original invoice was not received
12/1/2023	22236	Interest	$ (12.11)	Payment and pd crossed in mail
12/1/2023	24833	Interest	$ (107.37)	Payment and pd crossed in mail
12/1/2023	25259	Interest	$ (39.00)	Payment and pd crossed in mail
12/1/2023	24874	Interest	$ (13.80)	Payment an
12/1/2023	25447	Interest	$ (300.00)	Meter credit
12/11/2023	1510	Interest	$ (26.62)	Original invoice was not received
12/11/2023	2097	Interest	$ (23.08)	Original invoice was not received
12/11/2023	25125	Legal Fees	$ 2,467.32	Attorney Fees
12/11/2023	25320	Metered	$ (12,926.05)	Billing adjustment
12/11/2023	25320	Interest	$ (193.89)	Billing adjustment
12/19/2023	1735	Interest	$ (46.42)	Original invoice was not received
12/19/2023	17581	Non-Metered	$ (1,974.00)	Billing adjustment
12/19/2023	17581	Interest	$ (59.22)	Billing adjustment
		Total Adjustments	**$ (21,990.83)**	

PAJARO VALLEY WATER MANAGEMENT AGENCY

Account Activity Report per Bank Statement

	Date	Deposits	Withdrawals	Balance
CLEARING ACCOUNT - Mechanics				
Beginning Balance	11/1/2023			$255,829
Cash Receipts				
Disbursements			3,694,667	
Transfers		3,476,069		
Bank Fees				
Ending Balance	11/30/2023			$37,231
GENERAL FUND10-MMA Mechanics				
Beginning Balance	11/1/2023			$1,459,907
Cash Receipts		24,150		
Transfers			21,810	
Interest Earned		4,676		
Bank Fees				
Ending Balance	11/30/2023			$1,466,923
GENERAL FUND 10 - LAIF				
Beginning Balance	11/1/2023			$2,267,075
Transfers				
Interest Earned		0		
Ending Balance	11/30/2023			$2,267,075
GENERAL FUND 20 - LAIF				
Beginning Balance	11/1/2023			$8,324,757
Transfers				
Interest Earned		0		
Ending Balance	11/30/2023			$8,324,757
SPECIAL REVENUE FUND 20-ACH Clearing Acct Mechanics				
Beginning Balance	11/1/2023			$0
Cash Receipts				
Sweep/Transfers				
Disbursments/ACH-Wire				
Bank Fees				
Ending Balance	11/30/2023			$0
SPECIAL REVENUE FUND 20-Operating Mechanics				
Beginning Balance	11/1/2023			$65,705
Cash Receipts		6,255,442		
Transfers			5,587,668	
Disbursments/ACH-Wire				
Bank Fees			3,862	
Interest Earned				
Ending Balance	11/30/2023			$729,618
SPECIAL REVENUE Fund 20 Cash Mgmt-FUND20MMN Mechanics				
Beginning Balance	11/1/2023			$10,426,326
Transfers		5,335,000	470,000	
Disbursments/ACH-Wire				
Bank Fees				
Interest Earned		45,876		
Ending Balance	11/30/2023			$15,337,201
BNY Mellon Construction Fd - 2023 Certificates of Participation				
Beginning Balance	11/1/2023			$18,692,003
Transfers			2,731,592	
Interest Earned		110,880.28		
Ending Balance	11/30/2023			$16,071,292
Certificate of Deposit - DWR Loan Reserve Mechanics Fund 40				
Beginning Balance	11/1/2023			$261,523
Interest Earned		666.00		
Ending Balance	11/30/2023			$262,189
Certificate of Deposit - SRF-D1501023				
Beginning Balance	11/1/2023			$76,275
Transfers				
Interest Earned				
Ending Balance	11/30/2023			$76,275

Prior Month Ending Cash Balance:	Total Deposits:	Total Withdrawals:	Month End Cash Balance:
41,829,400	15,252,759	12,509,598	44,572,561
Cash Transfers	8,811,069	8,811,069	-
Actual Cash Receipts/Disbursements	6,441,690	3,698,529	

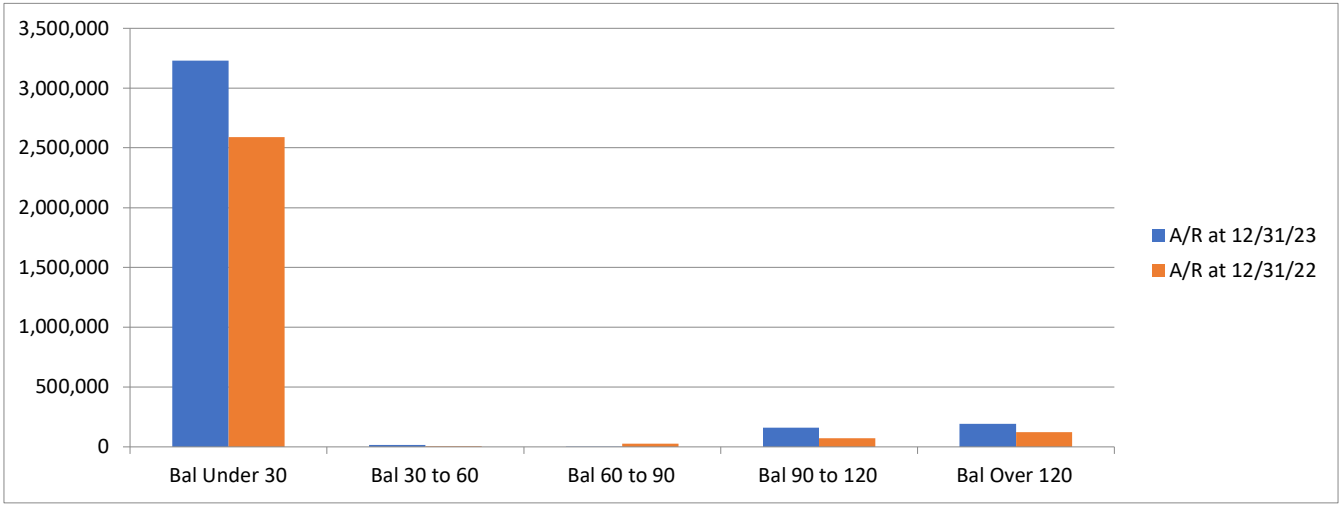
PAJARO VALLEY WATER MANAGEMENT AGENCY
INVESTMENT REPORT
ALL FUNDS
November 30, 2023

Description	Current Yield	Investment	% of Total Portfolio	Weighted Yield
Mechanics Clearing Account	0.00%	**$37,231**	0.08%	0.00%
General Fund 10				
Mechanics General Fund 10 Money Market Account	3.99%	1,466,923	3.29%	0.13%
Local Agency Investment Fund	3.59%	2,267,075	5.09%	0.18%
		$3,733,998		
Special Revenue Fund 20				
Mechanics Special Revenue Fund 20-ACH Clearing Account	0.00%	0	0.00%	0.00%
Mechanics Special Revenue Fund 20 Operating Account	0.00%	729,618	1.64%	0.00%
Mechanics Special Revenue Fund 20 Money Market Account	3.99%	15,337,201	34.41%	1.37%
Local Agency Investment Fund	3.59%	8,324,757	18.68%	0.67%
		$24,391,576		
Capital Projects Fund 30				
BNY Mellon Construction Fund - 2023 COPs	5.05%	**$16,071,292**	36.06%	1.82%
Long Term Debt Fund 40				
Mechanics Certificate of Deposit DWR Loan Reserve	4.75%	$262,189	0.59%	0.03%
Mechanics Certificate of Deposit SRF-D1501023	3.00%	$76,275	0.17%	0.01%
		338,464		
	Total:	**$44,572,561**	**100.0%**	

Total Funds Reserved	338,464
Total Funds Invested	43,467,248
Total Funds Non-Interest Bearing	766,849
Total Funds	**$44,572,561**
Total Available Funds	44,234,096
Cash Reserve Policy Requirements (PV Water)	6,810,000
Surplus (Deficit) of Funds	**$37,424,096**

PV Water
Accounts Receivable Aging 3 Month Trend
As of 12/31/2023

	Balance Forward	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Accounts Receivable before credits	3,596,132	3,230,119	14,064	125	159,513	192,312
Credits	(1,363)					
Total Accounts Receivable at 12/31/23	3,594,769					
Accounts Receivable before credits	2,813,539	2,590,136	4,767	23,979	72,987	121,670
Credits	(1,031)					
Total Accounts Receivable at 12/31/22	2,812,509					
Accounts Receivable before credits	672,521	36,971	178	433,709	16,277	185,387
Credits	(55,647)					
Total Accounts Receivable at 11/30/23	616,875					
Accounts Receivable before credits	1,920,973	-13,423	1,731,424	16,302	123	186,547
Credits	(13,722)					
Total Accounts Receivable at 10/31/23	1,907,250					



Accounts Payable

Checks by Date - Detail by Check Date

User: priscilla
Printed: 11/30/2023 9:23 AM

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
44853	A190	ACE HARDWARE OF WATSONVILLE INC	11/02/2023	
	225749/226136	Field supplies for 10/23		79.52
			Total for Check Number 44853:	79.52
44854	A351	ACWA/JPIA	11/02/2023	
	118	Auto & Gen Premium Policy Yr. for 10/1/23 to 2024		57,996.00
			Total for Check Number 44854:	57,996.00
44855	A400	ACWA/JPIA WORKERS COMP	11/02/2023	
	7/1/23 thru 9/30/23	Worker's Compensation Ins. for 7/1 to 9/30/23		4,888.23
			Total for Check Number 44855:	4,888.23
44856	A910	ATCHINSON,BARISONE,CONDOTTI	11/02/2023	
	34347	CL, WSR & BOD Legal Services for 9/1 to 9/30/23		9,219.63
	34348	College Lake Legal Services for 9/1 to 9/30/23		1,238.80
	34349	Legal P/S General Matters for 9/1-9/30/23		2,237.46
			Total for Check Number 44856:	12,695.89
44857	C1099	CAROLLO ENGINEERS INC	11/02/2023	
	FB42516	PV Water WSR System Project Design for 9/1-9/30/23		20,733.50
	FB42941	BMP WSR Prgm Mgmt/CL Planning Svc Mo. Prog Rpt for 9/23		5,862.38
			Total for Check Number 44857:	26,595.88
44858	C1580	SPECTRUM BUSINESS COMMUNICATIONS	11/02/2023	
	0310817102023	76 Holohan/Internet/communication for 10/20 to 11/19/23		127.97
	0495564102323	Landline & Internet services for 10/23 to 11/22/23		653.36
			Total for Check Number 44858:	781.33
44859	F199	C.J. BROWN & COMPANY CPAS	11/02/2023	
	230921	Services rendered during Audit 22-23 for 9/23		10,402.00
			Total for Check Number 44859:	10,402.00
44860	F200	FEDERAL EXPRESS, INC.	11/02/2023	
	8-299-51366	To: McCrometer for 10/23		174.26
			Total for Check Number 44860:	174.26
44861	J311	JAMES P ALLEN & ASSOCIATES	11/02/2023	
	20231020	Consulting Arborist Services from 7/21 thru 10/14/23		19,085.00
			Total for Check Number 44861:	19,085.00

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
44862	K89	KARAS TECHNICAL SERVICES	11/02/2023	
	15191	Cover Designs for 2022 Annual Report for 10/23		285.00
			Total for Check Number 44862:	285.00
44863	M1010	MAGNOLIA GARDENING INC	11/02/2023	
	29171	36 Brennan Building Mo. Landscape Maint. For 10/23		100.00
	29377	76 Holohan Building Mo. Landscape Maint. For 10/23		90.00
			Total for Check Number 44863:	190.00
44864	M1872	MICROSOFT	11/02/2023	
	E0400PAZHJ	IT-Online Hydrology 365 Support for 9/17-10/16/23		12.50
			Total for Check Number 44864:	12.50
44865	O217	OFFICE AND HOME CLEANING SERVICES	11/02/2023	
	2346	36 Brennan Mo. Office housekeeping for 10/23		600.00
	2347	76 Holohan Mo. housekeeping for 10/23		600.00
			Total for Check Number 44865:	1,200.00
44866	O250	ONSET COMPUTER CORP.	11/02/2023	
	266588	HOBO Conductivity Logger for 10/23		2,406.06
			Total for Check Number 44866:	2,406.06
44867	P180	PENINSULA MESSENGER LLC	11/02/2023	
	1371245	Monthly RaboBank Courier for 10/23		119.00
			Total for Check Number 44867:	119.00
44868	P510	PAJARO VALLEY PRINTING	11/02/2023	
	46642	5000 Self Seal Window/Regular/Ret. Envelopes for 10/23		1,371.88
			Total for Check Number 44868:	1,371.88
44869	P800	PG & E	11/02/2023	
	0688235687-3	Service at 76 Holohan Rd for 9/21 to 10/20/23		416.82
	2926809320-9	Service at 36 B Brennan St for 9/21 to 10/22/23		179.38
	3015753830-4	Electric Pump/2 homes/76 & 116 Holohan for 9/21 to 10/22/23		439.91
	4291054495-8	Service at 475 San Andreas Rd for 9/20 to 10/19/23		15.77
	5916054391-0	Service at 187C San Andreas Rd for 9/20 to 10/19/23		2,529.28
			Total for Check Number 44869:	3,581.16
44870	P950	PITNEY BOWES PURCHASE POWER, INC.	11/02/2023	
	8000-9000-0396-	Postage supplies online for 10/23		3,025.00
			Total for Check Number 44870:	3,025.00
44871	S610	SANTA CRUZ CO. DEPT.COMM. & INFRASTRUCTURE	11/02/2023	
	DPWAC-P63256	College Lake Labor for 9/23		13,430.71
			Total for Check Number 44871:	13,430.71
44872	S876	SANTA CRUZ SENTINEL	11/02/2023	
	1578005	13wks Office Newspaper from 11/27/23 thru 2/26/24		111.37
			Total for Check Number 44872:	111.37

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
44873	T345	THE HOME DEPOT CREDIT SERVICES	11/02/2023	
	611259/9510314	Field Supplies/Operations & Equipment for 8/23		185.33
			Total for Check Number 44873:	185.33
44874	U185	U.S. BANK EQUIPMENT FINANCE	11/02/2023	
	513526079	RICOH Office Copier (downstairs) for 10/23		208.57
	513697920	RICOH Office Copier (upstairs) for 10/23		79.55
			Total for Check Number 44874:	288.12
44875	W400	CITY OF WATSONVILLE UTILITIES	11/02/2023	
	CUST#602389	Office Monthly Utilities for 9/9 to 10/13/23		177.69
			Total for Check Number 44875:	177.69
44876	W80	WAGEWORKS INC.	11/02/2023	
	INV5782713	Mo. Admin & Compliance fee for 10/23		110.00
			Total for Check Number 44876:	110.00
44877	Z100	ZAG TECHNICAL SERVICES, INC.	11/02/2023	
	139610	IT-Mo. Subs./base retention Agreement-Datto Cloud for 10/23		970.80
	139671	IT-Regular Support Agreement for 10/23		97.50
			Total for Check Number 44877:	1,068.30
			Total for 11/2/2023:	160,260.23
ACH	A1250	AFLAC- FLEX ONE	11/03/2023	
	EE Deferrals	EE PR Deferrals		551.49
			Total for this ACH Check for Vendor A1250:	551.49
ACH	A300	ACWA/JPIA	11/03/2023	
	Inv 0701144	EE PR Deferrals		31,922.53
			Total for this ACH Check for Vendor A300:	31,922.53
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	11/03/2023	
	EE Deferrals	EE PR Deferrals		4,700.00
			Total for this ACH Check for Vendor N125:	4,700.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	11/03/2023	
	EE Deferrals	ER/EE Retirement Contributions		10,801.00
	EE Retirement Contrib	EE PR Deferrals		690.21
			Total for this ACH Check for Vendor P1300:	11,491.21
ACH	P555	PVWMA-Cafeteria Account	11/03/2023	
	EE Deferrals	EE PR Deferrals		861.90
			Total for this ACH Check for Vendor P555:	861.90
			Total for 11/3/2023:	49,527.13

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
ACH	C572	CALIFORNIA BANK OF COMMERCE	11/15/2023	
	91601-05R	Escrow#1159037 Ret.CL Proj #30-39-502-for 9/1-9/30/23		98,074.00
		Total for this ACH Check for Vendor C572:		98,074.00
ACH	M2213	MOUNTAIN CASCADE, INC.	11/15/2023	
	91601-05	CL Project#30-39-502 for 9/1-9/30/23		1,863,403.00
		Total for this ACH Check for Vendor M2213:		1,863,403.00
ACH	S2865	SWCA ENVIRONMENTAL CONSULT. INC.	11/15/2023	
	175626	CL Integrated Resources Mngmnt Project. For 8/1 - 8/31/23		123,933.64
		Total for this ACH Check for Vendor S2865:		123,933.64
ACH	T111	TANNER PACIFIC	11/15/2023	
	223-321	CL WTP & Intake Facilities for 10/1-10/31/23		524,488.34
		Total for this ACH Check for Vendor T111:		524,488.34
44878	A850	AVAYA FINANCIAL SERVICES.	11/15/2023	
	43534324	Phone/VM Lease Agreement for 11/1-11/30/23		435.12
		Total for Check Number 44878:		435.12
44879	C103	CBEC ECO ENGINEERING INC	11/15/2023	
	23-1017-6	CL Operations Plan Development. for 10/1-10/31/23		7,489.50
		Total for Check Number 44879:		7,489.50
44880	E500	ENVIRONMENTAL SCIENCE ASSOCIATES	11/15/2023	
	E190248	CL/WSR/HS Pipeline Project for 10/1-10/31/23		27,929.31
		Total for Check Number 44880:		27,929.31
44881	G195	GREENWASTE RECOVERY LLC	11/15/2023	
	ID#219557	76 Holohan Green Waste for 10/23	219557	130.67
		Total for Check Number 44881:		130.67
44882	G330	GUTIERREZ CONSULTANTS, INC.	11/15/2023	
	1817	WIFIA & SGMA Loan Support .Serv for 9/23		7,733.95
		Total for Check Number 44882:		7,733.95
44883	L563	BRIAN LOCKWOOD	11/15/2023	
	REIMB-OCT2023	Mileage & Travel Meals to Conference UCD for 10/23		237.56
		Total for Check Number 44883:		237.56
44884	M1010	MAGNOLIA GARDENING INC	11/15/2023	
	29543	36 Brennan Building Mo. Landscape Maint. For 11/23		100.00
	29753	76 Holohan Building Mo. Landscape Maint. For 11/23		90.00
		Total for Check Number 44884:		190.00
44885	M1050	MAGGIORA BROS. DRILLING INC.	11/15/2023	
	M23-159	HS Facility 2022 recovery well and pump project for 10/23		216,053.75
		Total for Check Number 44885:		216,053.75

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
44886	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	11/15/2023	
	231018-02	Water Samples Groundwater for 10/18/23		408.00
	231020-27	Water Samples Groundwater for 10/20/23		294.00
	231024-56	Water Samples CDS for 10/24/23		668.00
	231024-64	Water Samples Groundwater for 10/24/23		102.00
	231025-20	Water Samples Groundwater for 10/25/23		421.00
			Total for Check Number 44886:	1,893.00
44887	M1875	MICROSOFT AZURE	11/15/2023	
	E0600PRLR3	IT-Support/Pay as you go for 9/12-10/11/23		14.46
			Total for Check Number 44887:	14.46
44888	N255	NHA ADVISORS, LLC	11/15/2023	
	00945	PVWMA 2023-24 Consulting (WIFIA Loan) for 4/1 - 4/30/23		4,268.75
	01018	PVWMA 2023-24 Consulting (WIFIA Loan) for 5/1 - 6/30/23		10,931.25
	01115	PVWMA 2023-24 Consulting (WIFIA Loan) for 9/1 - 9/30/23		9,093.75
			Total for Check Number 44888:	24,293.75
44889	P800	PG & E	11/15/2023	
	1787734656-3	Service at 1859 Beach Rd/BW-2 for 10/10 to 11/7/23		7,597.21
	9214983032-2	Service at 1931 Beach Rd/BW-1 for 10/10 to 11/7/23		17.46
	9218085363-9	Service at 162 San Andreas Rd/HSP Pump for 10/10 to 11/7/23		307.24
	9968544374-1	Service at 36 Brennan St for 10/10 to 11/7/23		554.50
			Total for Check Number 44889:	8,476.41
44890	R40	CARDMEMBER SERVICE	11/15/2023	
	OCT2023	Staff Credit Card Purchases		467.15
			Total for Check Number 44890:	467.15
44891	S1405	SC FUELS INC	11/15/2023	
	0789723	Agency Vehicles Fuel for 10/16 to 10/31/23		739.24
			Total for Check Number 44891:	739.24
44892	S1681	SHAMROCK OFFICE SOLUTIONS	11/15/2023	
	3918075	Upstairs /Contract printer usage/BW & Clr for 10/2-11/1/23		71.10
	3918076	36 Brennan/Cont. printer usage/BW & Clr for 10/2-11/1/23		76.40
			Total for Check Number 44892:	147.50
44893	S1900	SOIL CONTROL LAB, INC.	11/15/2023	
	3110133	Soil Monitoring Lab for 10/23		1,350.00
			Total for Check Number 44893:	1,350.00
44894	S830	RESOURCE CONSERVATION SANTA CRUZ COUNTY F	11/15/2023	
	21 IE 11	2021 Irrigation Efficiency for 7/1-9/30/23		113,549.45
			Total for Check Number 44894:	113,549.45
44895	U185	U.S. BANK EQUIPMENT FINANCE	11/15/2023	
	514807635	RICOH Office Copier (Holohan) for 11/23		159.49
			Total for Check Number 44895:	159.49

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
44896	V369	VERIZON WIRELESS	11/15/2023	
	9948144359	Agency Personnel Cell Phones & equipt. for 10/2 - 11/1/23		475.50
			Total for Check Number 44896:	475.50
44897	Z100	ZAG TECHNICAL SERVICES, INC.	11/15/2023	
	139965	IT-Agremment RMM Patching and AV for 11/23		1,965.00
	139983	IT-Monthly Agreement-KnowBe4 Security Awarness for 11/23		164.88
	140213	IT-Mo. Subs./base retention Agreement-Datto Cloud for 11/23		970.80
			Total for Check Number 44897:	3,100.68
44898	C1099	CAROLLO ENGINEERS INC	11/15/2023	
	FB43859	PV Water's CL Integrated Resources Mgmt for 10/1 To 10/31/23		112,651.09
			Total for Check Number 44898:	112,651.09
44899	M1086	MILLER MAXFIELD, INC.	11/15/2023	
	1023PV	CL Ads, YouTube ads, graphic, design Social M. for 10/23		2,958.82
			Total for Check Number 44899:	2,958.82
44900	P1160	MIKE PODLECH	11/15/2023	
	2497	CL Fisheries Support Prof. Services for 10/1 to 10/31/23		2,950.00
			Total for Check Number 44900:	2,950.00
44901	P905	M PRESS DIGITAL INC.	11/15/2023	
	20163	3 CL Large Format Coroplast prints & 100 Flyers for 6/23		384.56
	20423	4 CL Large Format Coroplast prints for 9/23		288.42
	20565	275 CL Construction Handout for 9/23		226.15
			Total for Check Number 44901:	899.13
44902	W375	WATSONVILLE BLUEPRINT	11/15/2023	
	113640	CL/Water Treatment Pipeline Design for 10/23		2,233.61
			Total for Check Number 44902:	2,233.61
			Total for 11/15/2023:	3,146,458.12
ACH	A1250	AFLAC- FLEX ONE	11/17/2023	
	EE Deferrals	EE PR Deferrals		551.49
			Total for this ACH Check for Vendor A1250:	551.49
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	11/17/2023	
	EE Deferrals	EE PR Deferrals		4,700.00
			Total for this ACH Check for Vendor N125:	4,700.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	11/17/2023	
	EE Deferrals	ER/EE Retirement Contributions		10,687.40
	EE Retirement Contrib	EE PR Deferrals		690.00
			Total for this ACH Check for Vendor P1300:	11,377.40

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
ACH	P555	PVWMA-Cafeteria Account	11/17/2023	
	EE Deferrals	EE PR Deferrals		861.90
			Total for this ACH Check for Vendor P555:	861.90
			Total for 11/17/2023:	17,490.79
ACH	T359	THE STANDARD INSURANCE COMPANY	11/20/2023	
	00-649299-0087	Long Term Disability Benefits		582.19
			Total for this ACH Check for Vendor T359:	582.19
ACH	T359	THE STANDARD INSURANCE COMPANY	11/20/2023	
	00-649299-0087	Long Term Disability Benefits	Nov 2023	584.00
			Total for this ACH Check for Vendor T359:	584.00
			Total for 11/20/2023:	1,166.19
44903	A910	ATCHINSON,BARISONE,CONDOTTI	11/29/2023	
	34371	CLP, WSR & BOD Legal Services for 10/1 to 10/31/23		7,869.96
	34373	Legal P/S General Matters for 10/1-10/31/23		847.55
			Total for Check Number 44903:	8,717.51
44904	B195	BALANCE HYDROLOGICS, INC	11/29/2023	
	223177-1123	Watsonville Slough Gaging WSR-WY23-Billing thru 11/18/23		4,481.10
			Total for Check Number 44904:	4,481.10
44905	C1099	CAROLLO ENGINEERS INC	11/29/2023	
	FB43846	PV Water's CL & WSR Mgmt plan (BMP) for 10/1 To 10/31/23		6,616.26
	FB43856	PV Water WSR System Project Design for 10/1-10/31/23		54,182.41
			Total for Check Number 44905:	60,798.67
44906	C1580	SPECTRUM BUSINESS COMMUNICATIONS	11/29/2023	
	0154296112323	Landline & Internet services for 11/23 to 12/22/23		653.36
			Total for Check Number 44906:	653.36
44907	E355	EKI ENVIRONMENT & WATER INC	11/29/2023	
	B90103.02	HS Professional Services Design for 10/1 to 10/31/23		5,884.92
			Total for Check Number 44907:	5,884.92
44908	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	11/29/2023	
	231031-52	Water Samples Groundwater for 10/31/23		249.00
	231103-27	Water Samples Groundwater for 11/3/23		294.00
	231103-28	Water Samples Surface for 11/3/23		561.00
	231109-02	Water Samples Groundwater for 11/9/23		102.00
			Total for Check Number 44908:	1,206.00
44909	N255	NHA ADVISORS, LLC	11/29/2023	
	01139	PVWMA 2023-24 Consulting (WIFIA Loan) for 10/1-10/31/23		4,681.25
			Total for Check Number 44909:	4,681.25

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
44910	P400	PVI PAJARO VALLEY IRRIGATION, INC.	11/29/2023	
	INV200069910	Field Supplies for 11/23		52.68
			Total for Check Number 44910:	52.68
44911	P510	PAJARO VALLEY PRINTING	11/29/2023	
	46740	50 Strategic Plan 2024 Booklet for 11/23		653.01
			Total for Check Number 44911:	653.01
44912	P800	PG & E	11/29/2023	
	0688235687-3	Service at 76 Holohan Rd for 10/21 to 11/20/23		687.58
	2926809320-9	Service at 36 B Brennan St for 10/23 to 11/20/23		193.21
	3015753830-4	Electric Pump/2 homes/76 & 116 Holohan for 10/21 to 11/20/23		252.01
	3771390038-1	Service at Jensen Rd #3 for 10/19 to 11/16/23		19.51
	4291054495-8	Service at 475 San Andreas Rd for 10/20 to 11/19/23		55.77
	5290624576-7	Service at 2240 Beach Rd for 10/19 to 11/16/23		2.17
	5916054391-0	Service at 187C San Andreas Rd for 10/20 to 11/19/23		1,988.14
			Total for Check Number 44912:	3,198.39
44913	R320	RDO EQUIPMENT COMPANY INC	11/29/2023	
	P07521A5	Meter/Field supplies for 11/23		4,372.15
			Total for Check Number 44913:	4,372.15
44914	S1405	SC FUELS INC	11/29/2023	
	0796955	Agency Vehicles Fuel for 11/3 to 11/14/23		479.73
			Total for Check Number 44914:	479.73
44915	S2910	STREET SCENE ON & OFF ROAD	11/29/2023	
	44811	Back-up alarm Ford Ranger#12 Leonard for 11/23		228.94
			Total for Check Number 44915:	228.94
44916	S610	SANTA CRUZ CO. DEPT.COMM. & INFRASTRUCTURE	11/29/2023	
	DPWAC-P63256	College Lake Labor for 10/23		6,971.58
			Total for Check Number 44916:	6,971.58
44917	T328	TREE TOP WEB DESIGN INC	11/29/2023	
	3553	IT-Website Support Services for 11/23		2,186.25
			Total for Check Number 44917:	2,186.25
44918	T345	THE HOME DEPOT CREDIT SERVICES	11/29/2023	
	8902948	Field Supplies/Operations & Equipment for 10/23		91.61
			Total for Check Number 44918:	91.61
44919	U185	U.S. BANK EQUIPMENT FINANCE	11/29/2023	
	515813590	RICOH Office Copier (downstairs) for 11/23		208.57
	515913804	RICOH Office Copier (upstairs) for 11/23		79.55
			Total for Check Number 44919:	288.12
44920	W400	CITY OF WATSONVILLE UTILITIES	11/29/2023	
	CUST#602389	Office Monthly Utilities for 10/12 to 11/14/23		177.69
			Total for Check Number 44920:	177.69

Check No	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
44921	Z100	ZAG TECHNICAL SERVICES, INC.	11/29/2023	
	140544	IT-Billable/Regular Support Agreement for 11/23		341.25
			Total for Check Number 44921:	341.25
			Total for 11/29/2023:	105,464.21
			Report Total (84 checks):	3,480,366.67