PAJARO VALLEY WATER MANAGEMENT AGENCY

36 BRENNAN STREET • WATSONVILLE, CA. 95076
TEL: 831) 722-9292 FAX: 831) 722-3139
email: info@pvwater.org • https://www.pvwater.org

ADMINISTRATION & FINANCE COMMITTEE MEETING
PV Water, 36 Brennan Street, Watsonville
Tuesday, June 11, 2024, 3:00 p.m.

MEETING AGENDA

1. Call to Order and Roll Call:
   Committee members: Bob Culbertson (Chair), Abel Sanchez (Vice Chair), Amy Newell

2. Director Comments

3. Public Comments
   This time is set aside for members of the general public to address the Committee on any item not on the agenda, and that is within the subject matter jurisdiction of the Committee. Each speaker is allotted up to 3 minutes.

4. Consider Approval of May 7, 2024, Administration & Finance Committee Meeting Minutes
   i. Introduction by staff
   ii. Questions from Committee
   iii. Public comment
   iv. Committee discussion and deliberation
   v. Committee action

5. Consider Agreement with Montgomery & Associates for Construction Management Services at Blend Well 4 and Domestic Well in an Amount Not to Exceed $166,020
   i. Introduction by staff
   ii. Questions from Committee
   iii. Public comment
   iv. Committee discussion and deliberation
   v. Committee action

6. Consider the Cash Reserve Policy
   i. Introduction by staff
   ii. Questions from Committee
   iii. Public comment
   iv. Committee discussion and deliberation
   v. Committee action

7. Consider the Investment Policy
   i. Introduction by staff
   ii. Questions from Committee

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.

iii. Public comment
iv. Committee discussion and deliberation
v. Committee action

8. Consider Resolutions Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees)
   i. Introduction by staff
   ii. Questions from Committee
   iii. Public comment
   iv. Committee discussion and deliberation
   v. Committee action

9. Consider Accepting Financial Reports
   a. Activity Report
   b. Investment Report
      i. Introduction by staff
      ii. Questions from Committee
      iii. Public comment
      iv. Committee discussion and deliberation
      v. Committee action

10. Consider Accepting Cash Flow Reports
   a. A/R Aging Update
   b. A/P Report
      i. Introduction by staff
      ii. Questions from Committee
      iii. Public comment
      iv. Committee discussion and deliberation
      v. Committee action

11. Discuss future agenda items and next meeting date – Tuesday, July 9, 2024, 3:00 p.m.

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 MEETING MINUTES of Tuesday, May 7, 2024, 3:00 p.m. PV Water, 36 Brennan Street, Watsonville

Chair Culbertson called the meeting to order at 3:01 p.m.

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

   Committee Members Present: Bob Culbertson (Chair), Abel Sanchez (Vice Chair), Amy Newell
   Staff Present: Brian Lockwood, General Manager (GM)(Remote), Nancy Trevino (FASM), Priscilla Sanchez (FA)
   Others Present: Robert Rodoni

2. **Director Comments:** Director Newell commented on her attendance at Jesus "Chuy" Martinez's retirement party.

3. **Public Comments:** Mr. Rodoni commented on the difference between the augmentation charges and the delivered water rates.

4. **Consider Approving Minutes of April 9, 2024, Committee Meeting:**
   Action: Director Newell moved to approve the April 9, 2024, meeting minutes with suggested changes to Director Culbertson's comment to say "Zone 7 residents voted to pay their taxes & fees to the Pajaro Regional Flood Management Agency to implement the maintenance of the levee system"; seconded by Director Sanchez.

   The motion carried following vote:

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

5. **Consider Actions Related to Watsonville Slough System Managed Aquifer Recharge & Recover Project: Amendment to Agreement with EKI Water & Environment, Inc. for Recovery Well and Monitoring Well Support Services, in and Amount Not to Exceed $44,900, and Agreement with Piini Realty for Property Appraisal Services in and Amount Not to Exceed $32,500**
   GM Lockwood summarized both items for the Committee, stating that EKI has already been assisting with the permitting of wells for the College Lake Project and the Watsonville Slough System Managed Aquifer Recharge & Recovery Project.

Pertaining to property appraisal services, GM Lockwood stated that PV Water's General Counsel, ABC Law, issued a Request for Proposals for appraisal services and received three proposals. PV Water's property team selected Piini Realty as the most qualified and best fit to complete the work.

Action: Director Newell moved to recommend the Board approve the amendment to agreement with EKI Water & Environment, Inc. for Recovery Well and Monitoring Well Support Services, in and Amount Not to Exceed $44,900; seconded by Director Sanchez. Director Sanchez moved to recommend the Board approve the Agreement with Piini Realty for Property Appraisal Services in and Amount Not to Exceed $32,500; seconded by Director Newell.

The motion carried following vote:

Ayes: **Culbertson, Sanchez, Newell**
Noes: **None**
Abstain: **None**

6. **Consider Water Awareness Project with the Santa Cruz County Fairgrounds Foundation in an Amount Not to Exceed $12,000**
GM Lockwood explained May is water awareness month, and PV Water is pursuing a collaborative xeriscape garden and irrigation project with the Santa Cruz Fairgrounds Foundation highlighting native plants, water resource awareness and conservation. Mr. Rodoni asked if PV Water would be contributing a partial amount of the total cost and FASM Trevino responded in the affirmative.

Action: Director Newell moved to recommend the Board approve the Water Awareness Project with the Santa Cruz County Fairgrounds Foundation in an Amount Not to Exceed $12,000; seconded by Director Sanchez.

The motion carried following vote:

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

7. **Consider Proposed Budget Amendments for Fiscal Year Ending June 30, 2024:**
FASM Trevino provided a summary of proposed budgetary amendment highlights for FY23-24, speaking to items related to revenue and expenditures. Mr. Rodoni asked how PV Water can reduce the wages budget line item by $251,000 and FASM Trevino explained the reduction results from monitoring actual expenditures, accounting for attrition, and accounting for any budgetary excess.

Action: Director Newell moved to recommend the Board approve the proposed budget amendments for fiscal year ending June 30, 2024; seconded by Director Sanchez.

The motion carried following vote:

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

8. **Consider Preliminary Budget for Fiscal Year Ending June 30, 2025:**
GM Lockwood reminded all present that this item was approved by the Board of Directors at the April 17th, 2024, meeting so the purpose of this item is for public comment. The preliminary budget for FY24-25 will be going before the Board for final adoption in the next Board meeting held on May 15, 2024.

Action: None – review only

9. **Consider Approval of Engagement with C.J. Brown & Company CPAs for Annual Audit Services for Fiscal Year Ending June 30, 2024, in an Amount Not to Exceed $32,853:**
GM Lockwood explained that in addition to the standard annual audit, the auditors will conduct a required specific audit, called a single audit, due to the PV Water's securing federal funding with the closing of the two WIFIA loans. The fee for the single audit is $7,844. FASM Trevino explained the process and timeline the auditors follow to complete the annual external audit. Mr. Rodoni asked if the audit results are shared with the Board of Directors and FASM responded in the affirmative.

Action: Director Sanchez moved to recommend the Board approve the Engagement with C.J. Brown & Company CPAs for Annual Audit Services for Fiscal Year Ending June 30, 024, in and Amount Not to Exceed $32,853; seconded by Director Newell.

The motion carried following vote:

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

10. **Consider Accepting Quarterly Reports:**
FASM Trevino highlighted notable variances in the budget vs. actual report and its justification for the FY23-24 preliminary budget amendments. FASM Trevino highlighted how this report shows where PV Water stands as three quarters of the fiscal year are now completed, and also spoke to the contract commitments report.

Action: Director Newell moved to accept the quarterly billing reports and recommend the Board approve them; seconded by Director Sanchez.

The motion carried following vote:

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

11. **Consider Accepting Financial Reports:**
FASM Trevino described the overall cash position of PV Water, sharing the notable interest earnings for which the rates have continued to increase. The decrease in cash represents the PV Water's direct contributions to the College Lake Project as directed by decision of the Board of Directors.

Action: Director Sanchez moved to accept the financial reports and recommend the Board approve them; seconded by Director Newell.

The motion carried following vote:

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

12. **Consider Accepting Cash Flow Reports:**
FASM Trevino spoke to the accounts receivable outstanding balance of $435K, showing PV Water received substantial receipt of payment for the March billing. Balances over 120 days continue to be related to repeat delinquent customers. GM Lockwood noted a settlement of one customer account which is not reflected in the March report. Mr. Rodoni pointed out that PV Water billed more at this time last year than was billed in the current year. Mr. Rodoni asked if the PV Water received interest from the delinquent customer who reached a settlement and GM Lockwood spoke briefly on the generalities of the settlement agreement. Mr. Rodoni asked if the Board of Directors have considered shutting off water to customers with balances over 120 days and GM Lockwood explained that the Board is not involved since the wells are privately owned.

Action: Director Newell moved to accept the cash flow reports and recommend the Board approve them; seconded by Director Sanchez.

The motion carried following vote:

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

13. **Discuss Future Agenda Items and Next Meeting Date:** There are no new future agenda items. The next regular meeting date is set for Tuesday, June 11, 2024, 3:00 p.m.

    Adjournment: 3:49 p.m.

MEMORANDUM

DATE: June 4, 2024
MEETING OF: June 11, 2024
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 5:** Consider Agreement with Montgomery & Associates for Construction Management Services at Blend Well 4 and Domestic Well in an Amount Not to Exceed $166,020

BACKGROUND

PV Water is constructing the College Lake Integrated Resources Management Project (College Lake Project or Project), a critical water supply project recommended for implementation by the Ad Hoc Basin Management Plan Committee as documented in the 2014 Basin Management Plan Update. Two new wells will be constructed as part of this project, a new high capacity "blend well" (BW4) and a smaller, lower capacity well. BW4 will be used to augment the delivered water supply, particularly during times when the College Lake Project is not operational (due to environmental permit conditions), while the smaller well will be used to provide water to the water treatment facilities and to the field office.

DISCUSSION

PV Water retained Tanner Pacific, Inc. (TPI) to serve as construction manager for the College Lake Project following a competitive process, however, given the specialty of well drilling and development, staff recommend entering into an agreement with a Montgomery & Associates (M&A), who will provide a team of hydrogeologists and geologists that will work in coordination with TPI to manage the construction of the two wells. Staff recommend M&A's team for this work due to the depth of experience of key team members and their familiarity with the staff at Maggiora Bros. Drilling, the sub-contractor tasked with drilling and developing the two new wells.

The proposal from M&A consists of four primary tasks each of which is described in detail in the attached scope of services:

- Task 1 – Project Management
- Task 2 – Construction Management of Blend Well No. 4
- Task 3 – Construction Management of Domestic Well
- Task 4 – Reporting

FISCAL IMPACT

The agreement is not to exceed $166,020.

STAFF RECOMMENDATION

The Committee recommend the Board approve the agreement with Montgomery & Associates, in substantially the same form as the version attached, for construction management services at Blend Well 4 and Domestic Well in an amount not to exceed $166,020, and direct staff to engage their services.

ATTACHMENTS

- Agreement with Montgomery & Associates

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

CONSULTANT AGREEMENT

To:	**Montgomery & Associates**	**Date**:	**June 4, 2024**
	1970 Broadway, Suite 225		
	Oakland, CA 94612		
Tel:	**(510) 903-0458**		
Fax:			

Contract Amount:	**$166,020**	**Start Date:**	**June 1, 2024**	**End Date: December 31, 2024**	

Accepted:	**Pajaro Valley Water Management Agency**	**Consultant:**	**Montgomery & Associates**
		FEIN:	
By:		**By:**	
	Brian Lockwood,		**Hale Barter**
Title	**General Manager**	**Title**	**President**
	Other authorized representative(s):		**Other authorized representative(s):**

CONSULTANT AGREEMENT

This Agreement is entered into and effective this **1st** day of **June 2024**, by and between the **Pajaro Valley Water Management Agency** ("PV Water"), and **Montgomery & Associates** ("Consultant") referred to herein individually as a "Party" and collectively as "the Parties."

WHEREAS, PVWater desires to hire Consultant for **Construction Management at Blend Well No. 4 and Domestic Well** ("Project"); and,

WHEREAS, Consultant represents that it has the expertise, means, and ability to perform said duties as outlined within its proposal dated **May 23, 2024** and received by PV Water (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 **December 31, 2024,** 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. If 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): _____. Only PV Water's authorized representative(s) is authorized to approve changes to this Agreement on behalf of PV Water.

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

4. Compensation. PV Water will pay Consultant, as full compensation for full performance of the services described in this Agreement, a fee not to exceed **One Hundred Sixty Six Thousand and Twenty Dollars ($166,020**). The fee for services will be based on the Fee Schedule included in Exhibit A of this Agreement.

4.1 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.

4.2 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.

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

6. Conflict of Interest. Consultant owes PV Water a duty of undivided loyalty in performing

the work and services under this Agreement. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement 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.

7. Indemnification.

For General Services: To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless PV Water, its directors, officers and employees from and against any and all claims, demands, actions, damages, or expenses, (including attorney's fees and costs) arising from the acts or omissions of Consultant's employees or agents in any way related to the obligations or in the performance of services under this Agreement, except for design professional services as set forth in Civil Code § 2782.8, and except where caused by the sole or active negligence, or willful misconduct of PV Water.

For Design Professional Services under Civil Code §2782.8:
To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless PV Water, its directors, officers and employees from and against any and all claims, demands, actions, damages, or expenses, (including attorney's fees and costs) arising from the negligence, recklessness, or willful misconduct of the Consultant, Consultant's employees or agents in any way related to the obligations or in the performance of design professional services under this Agreement as set forth in Civil Code, except where caused by the sole or active negligence, or willful misconduct of PV Water. The costs to defend charged to the Consultant relating to design professional services shall not exceed the Consultant's proportionate percentage of fault per Civil Code §2782.8.

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

9. Sub-consultants. Except as provided in 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 the purposes of providing any work or services covered by this Agreement. If 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. The consultant is solely responsible for all payments due to sub-consultants.

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

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

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

13. Equal Employment Opportunity. Consultant agrees to refrain from discriminatory employment practices based on 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.

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

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

other work location during normal business hours for the purpose of review and inspection of work activities undertaken pursuant to this Agreement. The 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 services to which the costs relate to the extent required to verify the direct costs (excluding established or standard allowances and rates) incurred pursuant to this Agreement.

16. Termination. PV Water may terminate this Agreement at any time, with or without cause, in its sole discretion, by giving written notice to consultant at least thirty days (30) prior to such termination. Upon receipt of written notice from PVWater that this Agreement is terminated, Consultant will submit an invoice for an amount that represents the value of services performed to the date of said notice for which Consultant has not previously been compensated. In the event of termination without cause, PV Water will pay to Consultant all recoverable costs incurred in the performance of such services in accordance with Section 4 of this Agreement, plus all reasonable costs incurred as a result of such termination, but in no event will PV Water pay termination costs exceeding Five Thousand Dollars ($5,000.00) and PV Water will have no further obligation to Consultant, monetarily or otherwise. In the event termination is for cause, Consultant need be compensated only to the extent required by law.

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

18. Legal Remedies. Either Party shall be entitled to all remedies afforded by law or in equity to enforce their respective rights under this Agreement. No right or remedy in this Agreement are intended to be exclusive of any other right or remedy, but every such right or remedy shall be cumulative and shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law, in equity or in the Agreement.

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

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

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

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

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

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

25. Notices. Any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon either Party in connection with this Agreement shall be in writing. Such notice shall be personally served or sent prepaid by registered or

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

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

If to Consultant: **Montgomery & Associates**
Attn: Hale Barter, President
1970 Broadway, Suite 225
Oakland, CA 94612
(510) 903-0458

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

27. Interpretation. This Agreement constitutes a fully negotiated agreement between commercially sophisticated Parties, each assisted by legal counsel, and the terms of this Agreement shall not be construed or interpreted for or against either party hereto because that Party or its legal representative drafted or prepared such provision.

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

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

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

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

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

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

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

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

36. 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.

37. 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.

38. 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.

39. 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

MONTGOMERY & ASSOCIATES

By: _____
Hale Barter, President

:

MONTGOMERY & ASSOCIATES
Water Resource Consultants

Groundwater experts since 1984

May 23, 2024

Mr. Casey Meusel
Associate Hydrologist
Pajaro Valley Water Management Agency
Watsonville, CA

SUBJECT: PROPOSAL FOR CONSTRUCTION MANAGEMENT AT BLEND WELL NO. 4 AND DOMESTIC WELL

Dear Mr. Meusel:

Montgomery & Associates (M&A) is pleased to submit this scope and fee proposal to Pajaro Valley Water Management Agency (Agency) to provide construction management services during construction of the new Blend Well No. 4 and one nearby domestic well, both located in Pajaro, California.

These wells are part of the Agency's College Lake Integrated Resources Management Project (CLIRMP) and will be located at the Water Treatment Plant at 76 Holohan Road. Carollo Engineers completed the design and technical specifications for the Project in January 2023, including preliminary well designs by EKI Consultants. The Agency has contracted with Mountain Cascade to complete the construction, and Mountain Cascade has subcontracted Maggiora Bros. Drilling (MBD) to complete the installation of the wells. Tanner Pacific Inc. (TPI) is functioning as the CLIRMP overall construction manager. The Agency provided a copy of the technical specifications (Volume 2 of 5) to M&A, and a meeting between the parties was held on May 10 to discuss the contents of this proposal. Martin Feeney, an independent consultant, will be retained by the Agency to collaborate with M&A on key aspects of this scope.

The technical specifications refer to 3 distinct entities including "Owner," "Engineer," and "Onsite Technical Representative (OTR)." This proposal assumes OTR refers to M&A's role. M&A will enforce the technical specifications as written by others and will not change the preliminary design(s) or other aspects of the project. However, M&A will provide feedback or recommendations on the design(s) or other project aspects to the Agency for their consideration, where appropriate. Similarly, M&A will not direct MBD's means and methods beyond those identified in the technical specifications unless authorized to do so by the Agency in writing.

Construction of the wells is anticipated to begin in late summer (August or September) subject to completion of unrelated aspects of the project by Mountain Cascade and subject to MBD's availability but may occur sooner.

SCOPE OF WORK

The Scope of Work (SOW) includes construction management during installation of both wells and subsequent reporting. M&A proposes the following tasks to complete this project:

- Task 1 – Project Management
- Task 2 – Construction Management of Blend Well No. 4
- Task 3 – Construction Management of Domestic Well
- Task 4 – Reporting

These tasks are described separately below. M&A anticipates that the wells will not be drilled concurrently and Blend Well No. 4 will be prioritized, if possible, to be completed prior to the Domestic Well.

Bill DeBoer will serve as the Project Manager and Senior Hydrogeologist for the full duration of the project. Junior field staff will provide most of the field observation and will act under the direct oversight of the Senior Hydrogeologist. Field observation costs are based on the Scientist 2 hourly rate, but efforts will be made to use the most cost-efficient, responsible staff level where feasible.

Construction management costs provided herein are estimated based on anticipated durations for each activity. Actual durations are subject to MBD's performance and are not controlled by M&A. As such, actual costs are subject to increase or decrease based on actual durations, or by Agency request for modified observation schedules.

In general, M&A employees will support this project from our Oakland and/or Sacramento offices. Employees will stay locally in hotels during active construction periods to reduce travel costs and will be dedicated to this project when assigned. M&A is not responsible for unplanned delays in site activities due to MBD's performance, equipment, or schedule changes that may result in shortened or cancelled field days. M&A reserves the right to charge the Agency standard 10-hour field days for cancellations or delays with less than 2 business days of notice. M&A will make every reasonable effort to avoid this, and if possible will assign other work to the affected employee.

M&A will provide field presence according to this proposal when the schedule of activities is reasonably known or anticipated based on an industry standard 3-week lookahead schedule. Field presence for unanticipated or unplanned schedule changes with less than 2 business days of notification to M&A may not be immediately possible, may require additional travel expenses, or may require using an employee with a higher billing rate. M&A will make every effort to have a field presence as quickly as possible under these circumstances and will notify the Agency of those efforts so they can determine if site work should be stopped in the interim.

M&A is not responsible for work performed by MBD without M&A field staff's presence when this is due to inadequate notification. M&A is additionally not responsible for stand-by time incurred by MBD when M&A is not present due to inadequate notification.

Task 1: Project Management

M&A will provide administrative and budgetary management duties throughout the duration of the project, including coordination with Agency staff, attendance at project meetings, and budget and schedule management. This task assumes 2 in-person meetings at the site or Agency offices and weekly virtual meetings held via Microsoft Teams.

M&A will be responsible for tracking, cataloging, and approving MBD's submittals, and will provide the Agency with copies of all approved submittals.

Task 2: Construction Management of Blend Well No. 4

M&A will provide construction management for completion of Blend Well No. 4 in accordance with Section 02525A of the technical specifications, including the activities listed below. The list includes an assumed level of observation that is incorporated into our cost estimate.

- Mobilization: Part-time observation to verify project set-up
- Conductor Casing Installation: Full-time observation
- Pilot Borehole Drilling: Part-time observation
- Geophysical Logging: Full-time observation
- Reaming: Part-time observation
- Caliper Survey: Full-time observation
- Well Construction: Full-time observation
- Mechanical and Chemical Development: Full-time observation, excluding rest periods for chemical development
- Test Pump Development: Full-time observation
- Step Test: Full-time observation
- Constant Rate Test: Full-time observation
- Video, Plumbness, and Alignment Surveys: Full-time observation
- Disinfection: Full-time observation

Pilot borehole drilling and reaming activities are assumed to be completed by MBD on a 24-hour basis with part-time observation by M&A. For cost estimating purposes, M&A assumes 10 hours per day to observe log cuttings, monitor progress, to resolve drilling issues as on-call support at night. This can be increased to full-time observation at the request of the Agency.

Costs are not included herein for construction management of non-intrusive activities such as borehole circulation while waiting for materials, cement cure wait periods, and demobilization. Similarly, costs are not included herein for laboratory work such as grain size analysis and groundwater quality chemical analysis. These services can be provided as requested by the Agency using hourly rates provided herein. Laboratory services, if any, can be provided at cost and would include allowable 10% M&A mark-up.

M&A will also provide the final well design in accordance with Part 1.06.

ASSUMPTIONS

- M&A employees have no authority to exercise any control over MBD or their employees in connection with their work or any health and safety precautions and have no duty for inspecting, noting, observing, or correcting health or safety deficiencies of MBD or any other persons at the site except M&A employees. M&A will promptly notify Agency of any observed or perceived health and safety deficiencies by MBD or any other persons at the site.
- M&A's presence at a construction site does not make its employees in any way responsible for those duties that belong to the Agency, MBD, or other entities, and does not relieve the MBD or any other entity of their obligations, duties, and responsibilities, including methods, means, techniques, sequences, and procedures necessary for coordinating and completing construction work in accordance with the contract documents and any health or safety requirements.
- The presence of M&A employees at the construction sites is to provide Agency a greater degree of confidence that the completed work will conform generally to the construction documents and that the integrity and the design concept as reflected in the construction documents have been

implemented and preserved by MBD. M&A neither guarantees MBD's performance nor assumes responsibility for their failure to perform work in accordance with contract documents.

- M&A did not complete the preliminary well design nor author the technical specifications and is not responsible for the ability of the well to meet Agency performance requirements, including but not limited to yield, sand content, or turbidity.
- M&A staff will perform construction management activities consistent with enforcing specifications and will not direct MBD's means or methods.
- MBD is responsible for testing, maintaining, and recording drilling fluid properties. M&A will observe and record results as appropriate. Deviations to the specifications will be reported to the Agency within 24 hours of being observed.
- Equipment rentals and fieldwork consumable purchases may be required. Costs for these items are included herein.
- MBD is responsible for the containment, profiling, and disposal of all waste generated during the project.

Task 3: Construction Management of Domestic Well

M&A will provide construction management for completion of the Domestic Well in accordance with Section 02525B of the technical specifications, including the activities listed below. The list includes an assumed level of observation that is incorporated into our cost estimate.

- Mobilization: Part-time observation to verify project set-up
- Borehole Drilling: Full-time observation
- Well Construction: Full-time observation
- Mechanical Development: Full-time observation
- Test Pump Development: Full-time observation
- Constant Rate Test: Full-time observation
- Video, Plumbness, and Alignment Surveys: Full-time observation
- Disinfection: Full-time observation

Site activities are assumed to be completed by MBD during standard 10-hour workdays, Monday through Friday.

Costs are not included herein for construction management of non-intrusive activities including borehole circulation while waiting for materials, cement cure wait periods, and demobilization. Similarly, costs are not included herein for laboratory services such as grain size analysis and groundwater quality chemical analysis. These services can be provided as requested by the Agency utilizing hourly rates provided herein. Laboratory services, if any, can be provided at cost and would include allowable 10% M&A mark-up.

M&A will also provide the final well design in accordance with Part 2.04D.

Assumptions listed under Task 2 apply to this task.

Task 4: Reporting

M&A will prepare technical memoranda and reports to document activities, as detailed below.

Final Well Design Technical Memorandum for Blend Well No. 4

A well design technical memorandum will be written to document the findings of the Blend Well No. 4 pilot borehole and to provide a final recommended final well design. A draft of the technical memorandum will be completed and submitted for Agency review within 1 business day after receipt of electronic geophysical results, grain size analysis data (as applicable), and any other relevant data. The technical memorandum will include a proposed well construction schematic, casing schedule, and annular material schedule. A vertically scaled graphic containing observed lithology and geophysical results will be included with the technical memorandum. This task includes preparation of a draft technical memorandum, 1 round of Agency comments, and finalization. The draft will be submitted electronically in Word version and final technical memorandum will be submitted electronically in PDF format.

Well Installation Reports for Blend Well No. 4 and Domestic Well

Separate reports for Blend Well No. 4 and Domestic Well installation will be prepared following completion of site activities related to each well construction. The reports will include a description of the work completed, description of the methods and procedures used, results and discussion of drilling and testing activities, conclusions, recommendations, and relevant appendices. Draft well installation reports will be prepared in Microsoft Word format for Agency comment. Final submittal of these reports will include 1 PDF copy and 1 set of drill cutting chip trays.

COSTS

The estimated costs by task are detailed in the attached table. Rates are based on the 2024 rates used in M&A's current contract with the Agency for PV Water's Groundwater Sustainability Plan – Alternative Update, which represents 3%/year increases since the original rates used in 2021 and a discount from M&A's standard rates. An amendment or new contract will be required to provide budget for this proposed scope of work.

If you have any questions, do not hesitate to contact me.

Sincerely,

Bill DeBoer, P.G., C.Hg.
Senior Hydrogeologist

MONTGOMERY & ASSOCIATES

SCOPE AND FEE PROPOSAL FOR CONSTRUCTION MANAGEMENT AT BLEND WELL NO. 4 AND DOMESTIC WELL

		Bill DeBoer	Nick Byler	Various	Caryn Fogel			
		Scientist 6	Scientist 4	Scientist 2	Technical Editor	Labor Costs	Expenses	TOTAL
Task	$/hr	$229	$179	$136	$87			
1	**Project Management**							
	Budget Management and Invoicing	12	-	-	-	$2,748	-	$2,748
	Meetings - In-person	20	-	-	-	$4,580	$300	$4,880
	Meetings - Virtual	24	6	-	-	$6,570	-	$6,570
	Submittals Review	6	10	-	-	$3,164	-	$3,164
	Task 1 Subtotals	**12**	**16**	**0**	**0**	**$2,748**	**$300**	**$17,362**
2	**Construction Management of Blend Well No. 4**							
	Mobilization	10	-	12	-	$3,922	-	$3,922
	Conductor Casing Installation	2	-	24	-	$3,722	-	$3,722
	Pilot Borehole Drilling	16	4	44	-	$10,364	-	$10,364
	Geophysical Logging	1	2	6	-	$1,403		$1,403
	Borehole Reaming	10	-	44	-	$8,274	-	$8,274
	Caliper Survey	1	-	6	-	$1,045		$1,045
	Well Construction	16	4	60	-	$12,540	-	$12,540
	Mechanical and Chemical Development	10	4	32	-	$7,358	-	$7,358
	Test Pump Development	10	2	30	-	$6,728	-	$6,728
	Step Test	4	2	10	-	$2,634	-	$2,634
	Constant Rate Test	2	2	10	-	$2,176	-	$2,176
	Video, Plumbness and Alignment	2	-	20	-	$3,178	-	$3,178
	Disinfection	2	-	10	-	$1,818	-	$1,818
	Indirect Costs (mileage, transportation, lodging)	-	-	-	-	-	$18,000	$18,000
	Task 2 Subtotals	**86**	**20**	**308**	**0**	**$65,162**	**$18,000**	**$83,162**
3	**Construction Management of Domestic Well**							
	Mobilization	4	-	12	-	$2,548	-	$2,548
	Borehole Drilling	12	-	32	-	$7,100	-	$7,100
	Well Construction	8	2	24	-	$5,454	-	$5,454
	Mechanical and Chemical Development	6	2	20	-	$4,452	-	$4,452
	Test Pump Development	6	2	20	-	$4,452	-	$4,452
	Constant Rate Test	10	2	10	-	$4,008	-	$4,008
	Video, Plumbness and Alignment	2	-	20	-	$3,178	-	$3,178
	Disinfection	2	-	10	-	$1,818	-	$1,818
	Indirect Costs (mileage, transportation, lodging)	-	-	-	-	$0	$7,000	$7,000
	Task 3 Subtotals	**50**	**8**	**148**	**0**	**$33,010**	**$0**	**$40,010**
4	**Reporting**							
	Blend Well No. 4 Final Design Tech Memo	14	8	4	1	$5,269	-	$5,269
	Blend Well No. 4 Installation Report	24	16	30	2	$12,614	-	$12,614
	Domestic Well Installation Report	10	14	20	1	$7,603	-	$7,603
	Task 4 Subtotals	**48**	**38**	**54**	**4**	**$25,486**	**$0**	**$25,486**
	TOTAL HOURS	**196**	**82**	**510**	**4**			
	TOTAL COST	**$44,884**	**$14,678**	**$69,360**	**$348**	**$93,396**	**$18,300**	**$166,020**

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. [Note: This may NOT APPLY if consultant is not professional – attorney, accountant, engineer, surveyor, architect, hydrologist]

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

5. Other Requirements.

   a. Additional Insured Endorsement. The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions: **The Pajaro Valley Water Management Agency, its directors, officers, employees, and authorized volunteers are to be additional insured**. The coverage shall

contain no special limitations on the scope of protection afforded to PV Water, its directors, officers, employees, or authorized volunteers.

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

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

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

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

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

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

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

Builder's Risk (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions. Such coverage shall **name PV Water as a loss payee** as their interest may appear.

Contractors' Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than $1,000,000 per occurrence or claim, and $2,000,000 policy aggregate.

MEMORANDUM

DATE:	June 7, 2024
MEETING OF:	June 11, 2024
TO:	Administration & Finance Committee
FROM:	General Manager
RE:	**ITEM 6:** Consider Cash Reserve Policy for Fiscal Year Ending June 30, 2025

BACKGROUND

In July 2013, the Board adopted *Resolution 2013-05, Adopting a Cash Reserve Policy.* It was recommended at the time that reserves be built gradually as funds become available, while maintaining an appropriate level of services for PV Water functions such as operations, basin management and monitoring, and administration. The most recent update to the Cash Reserve Policy occurred in December 2023 when the Board adopted *Resolution 2023-20, Amending the Cash Reserve Policy for the Fiscal Year Ending June 30, 2024.*

Establishment of formal policies to ensure appropriate financial margins for operations, maintenance, and debt service needs is identified by analysts as a management practice that constitutes a positive credit factor. The Cash Reserve Policy states that it will be reviewed annually at budget time to evaluate if funding levels are sufficient and prudent. This year, staff are proposing an increase to the Rate Stabilization Reserve from $1,000,000 to $1,100,000, with the goal of increasing the Rate Stabilization Reserve to a total of $1,500,000 by Fiscal Year Ending June 30, 2029 (as discussed with the Committee in December 2023).

FISCAL IMPACT

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

STAFF RECOMMENDATION

The Committee consider the Cash Reserve Policy for Fiscal Year Ending June 30, 2025, and make a recommendation for the Board of Directors.

ATTACHMENTS

- Cash Reserve Policy

Pajaro Valley Water Management Agency
Cash Reserve Policy

Introduction

The Pajaro Valley Water Management Agency (PV Water or the Agency) Cash Reserve Policy establishes general guidelines on cash reserves that will help to ensure the Agency's long-term financial and operational stability. In this capacity, the Cash Reserve Policy articulates a comprehensive set of reserves that seek to mitigate operational, capital, and debt service risks PV Water may encounter.

The Cash Reserve Policy is established in the context of PV Water's current and expected capital improvement program and borrowings associated with the Basin Management Plan: Groundwater Sustainability Update 2022 (GSU22). Since reserve targets are based on certain assumptions and estimated costs and risks for PV Water, the Cash Reserve Policy and established reserve levels will be reviewed annually or more often if there is a material change in the risk exposures to PV Water. It is noted that the Cash Reserve Policy is established to provide general guidelines for fiscally responsible cash management. The Cash Reserve Policy is not intended to set strict limits that must be adhered to in a vacuum, nor is it intended to be all-inclusive in the sense that there remain a variety of factors outside the purview of the policy that could materially impact PV Water's financial condition. Certain risks and risk probabilities have been considered to be sufficiently remote or to require a scale of reserves that would be prohibitive as compared to the probability of such an outcome, and this policy does not purport to address such risks. Instead, these guidelines are intended to serve as a management decision-making tool in planning for and evaluating activities or transactions that could have a significant impact on the level of cash on hand.

Categories of Cash Reserves

The Cash Reserve Policy recommends the creation of four separate reserve funds:

- Operation & Maintenance Reserve
- Repair & Replacement Reserve
- Debt Service Reserve
- Rate Stabilization Reserve

Summary of Recommended Reserve Levels

Reserve Category	Recommended Reserve
Operation & Maintenance Reserve	**Start at 30 days of expenditures and build to 180 days**
Repair & Replacement Reserve	**Start at 10% Annual Depreciation and build to 25%**
Debt Service Reserve	**20% for Debt Service obligation that do not have their own reserve**
Rate Stabilization Reserve	**As determined by the Board and management**

Each reserve is summarized below with an explanation as to the methodology that was used to size each reserve.

Operation & Maintenance Reserve

Purpose

The purpose of the Operation & Maintenance Reserve is to provide greater stability in PV Water's annual operations even under unforeseen and changing circumstances as relates to both revenues and expenses. Utilities such as PV Water are subject to a broad array of risks, including but not limited to natural events such as earthquakes and climate change, and malicious events such as cybersecurity attacks, which may vary from small, temporary disruptions of business to substantial disruptions. The intent of the Cash Reserve Policy is to set an overall reserve level that is reasonable, defensible, and consistent with the aggregate risk profile that PV Water faces in effectively managing water supplies in the Pajaro Valley. Considering climate change resiliency is an important aspect of this effort.

Methodology

Many water utilities, which generally operate on a monthly billing cycle, maintain operating reserves at a level of 60 to 180 days of operating expenses. Typically, it is utilities in the most stable operating environments that are able to manage with reserves on the smaller end of this range, while many agencies with significant annual volatility in revenues or expenditures or those undergoing significant expansion have substantially larger operating reserves.

Operation & Maintenance Reserve Policy

PV Water will maintain an Operation & Maintenance Reserve equal to 50% of annual operating and maintenance expenses (see Exhibit A).

Repair & Replacement Reserve

Purpose

PV Water's GSU22 is made up of projects that will increase water supply to the Pajaro Valley and significantly expand PV Water's existing infrastructure. The purpose of the Repair & Replacement Reserve is to fund the unplanned repair or replacement of capital assets, and to allow PV Water to absorb fluctuations in the capital plan without an immediate rate impact to customers.

Methodology

Given the significant capital improvements in which the Agency has invested over the past couple of decades and the sizeable capital plans associated with implementation of the GSU22, the Repair & Replacement Reserve ensures the availability of funds to respond to unexpected needs.

Repair and Replacement Reserve Policy

PV Water will maintain a 25% annual depreciation reserve (see Exhibit A).

Debt Service Reserve

Purpose

The purpose of the Debt Service Reserve is to provide PV Water with funds dedicated to paying the Agency's debt service obligations in the event of a significant, unexpected decrease in operating revenue during which operating funds may be insufficient to meet such obligations.

Methodology

Typical municipal bond covenants require the establishment of a debt service reserve fund in an amount equal to maximum or average annual debt service on the bonds. Such a requirement exists in connection with the Agency's Department of Water Resources promissory note and State Water Resources Control Board Clean Water State Revolving Fund (SRF) Financial Agreement. It would be prudent for PV Water to also set aside reserves in connection with its other debt as these loans are significant.

Debt Service Reserve Policy

PV Water maintains a Debt Service Reserve funded at a level equal to 20% for debt service obligations that do not have their own reserve (see Exhibit A).

Rate Stabilization Reserve Policy

Purpose

The Rate Stabilization Reserve is established to provide short-term rate stability in case of an unexpected drop in revenue or increase in expenses. Among other things, the rate stabilization reserve affords PV Water with added flexibility in meeting its financial covenants to bondholders in the event of a financial shock to the Agency resulting from disaster or unforeseen financial circumstances.

Methodology

Unlike other reserves, the Rate Stabilization Reserve is typically not a percentage or ratio, but rather a fixed amount. The funding of such a reserve is highly dependent upon the expected variability in PV Water's revenue stream, budgeted expenditures, political matters, legal matters and the level of total annual debt service, among other factors.

Rate Stabilization Reserve Policy

PV Water maintains a Rate Stabilization Reserve as determined by management and the Board (see Exhibit A). In December 2023, the Board voted to increase the Rate Stabilization Reserve from $500 thousand to $1 million and directed staff to increase it to $1.5 million by Fiscal Year 2028-29.

Annual Review Process

PV Water reviews and evaluates reserve funding levels annually. Since reserve targets are based on certain estimates, assumptions, and risk probabilities, the Cash Reserve Policy will be revisited more frequently if there is a change in PV Water's operations, capital program, or debt service obligations that warrant review of these policies.

Pajaro Valley Water Management Agency
Cash Reserve Policy
Exhibit "A"
Adopted December 2023, Proposed June 2024

Operation & Maintenance Reserve	FY 22/23	Adopted 12/20/23 FY 23/24	Proposed 6/11/24 FY24/25
Projected Operating Expenditures ($MM)	8.92	8.50	8.85
Projected Reserve Amount ($KK)	4,461.61	4,250.00	4,427.09

Repair & Replacement Reserve	FY 22/23	Amended 12/20/23 FY 23/24	Proposed 6/11/24 FY25/24
Projected Annual Depreciation ($MM)	2.98	3.38	3.42
Projected Reserve Amount ($KK)	744.46	845.28	855.58

Debt Service Reserve	FY 22/23	Amended 12/20/23 FY 23/24	Proposed 6/11/24 FY25/24
Projected Debt Service Payments ($MM)	3.42	3.98	4.02
Restricted Funds for Debt Covenants ($KK)	329.30	333.90	346.09
Projected Reserve Amount ($KK)	619.03	729.21	734.39

Rate Stabilization Reserve	FY 22/23	Amended 12/20/23 FY 23/24	Proposed 6/11/24 FY25/24
Projected Reserve Amount ($KK)	500.00	1,000.00	1,100.00

Total Cash Reserve ($MM)	**6.33**	**6.82**	**7.12**

MEMORANDUM

DATE: June 7, 2024
MEETING OF: June 11, 2024
TO: Administration and Finance Committee
FROM: General Manager
RE: **ITEM 7:** Consider Investment Policy

BACKGROUND

The Investment Policy (Policy) is an important tool which establishes guidelines for PV Water's investments. The Policy defines general investment goals and objectives. The primary objectives of the Policy are safety of principal, liquidity, and return on investment. The Policy was last updated by the Board of Directors on June 21, 2023.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

That the Committee review the Policy.

ATTACHMENT

- Investment Policy

PAJARO VALLEY WATER MANAGEMENT AGENCY

Statement of Investment Policy

Presented to the Administration & Finance Committee on June 11, 2024
(Last updated by the Board of Directors on June 21, 2023)

The Board of Directors of the Agency has the authority to invest any portion of funds in an investment fund, or excess cash flow in its treasury, not required for the immediate necessities of the Agency, which is deemed wise or expedient according to Government Code Sections 53601 and 53635. The authority to invest public funds is expressly delegated to the Board of Directors for subsequent re-delegation to the Treasurer. Investments by the Treasurer are limited to those instruments specified by the Board.

1. Scope

This investment policy applies to all financial assets of the Pajaro Valley Water Management Agency. These funds are accounted for in the annual Agency audit and include: All funds.

Funds not included in the policy: none.

2. Basic Policy and Statement of Objectives

As specified in California Government Code §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

a) Safety of Principal - Safety of principal is the foremost objective of the investment program. Investments of the Pajaro Valley Water Management Agency shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b) Liquidity - Investments shall be made whose maturity date is compatible with cash flow requirements and which will permit easy and rapid conversion into cash without substantial loss of value, and which will enable the Agency to meet all operating requirements which might be reasonably anticipated.

c) Return on Investment - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.

3. Prudent Person

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code §53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. Maturity Limitations

a) The Treasurer is authorized to invest Agency funds for terms set forth below except bond proceeds may be invested for a term no longer then the final maturity of the bond.

b) For certain instruments, the term of the investment is limited by market convention or as otherwise prescribed herein.

5. Time Deposits

The Treasurer may invest in certificates of deposit issued by bank or savings association or federal association chartered by the United States or the State of California.

The following criteria will be used in evaluating financial institutions and form of collateral to determine eligibility for deposits:

a) The terms of investment shall not exceed five years.

b) The financial institution must have been in existence for at least five years.

c) Eligibility for deposits shall be limited to those financial institutions, which maintain a rating equivalent to the highest letter and number rating as provided by a nationally recognized statistical rating organization (NRSRO)

d) The deposit shall not exceed the shareholders' equity of any depository bank. For the purposes of this constraint, shareholders' equity shall be deemed to include capital notes and debentures. (Government Code Section 53638(a))

e) The deposit shall not exceed the total net worth of any depository savings

association or federal association. Deposits not exceeding a total of $500,000 may be made to a savings association or federal association without regard to the net worth of that depository, if such deposits are insured or secured as required by law (Government Code Section 53638 (b)).

f) The deposit to the share accounts of any regularly chartered credit union shall not exceed the total unimpaired capital and surplus of the credit union, as defined by rule of the Commissioner of Financial Institutions, except that the deposit to any credit union share account in an amount not exceeding $500,000 may be made if the share accounts of that credit union are insured or guaranteed pursuant to Section 14858 of the Financial Code or are secured as required by law. The deposit in investment certificates of a federally insured industrial loan company shall not exceed the total of the unimpaired capital and surplus of the insured industrial loan company. (Government Code Section 53638 (d).

g) To secure such deposits, the financial institution shall maintain in the collateral pool, marketable securities having a market value of at least 10 percent in excess of the total amount deposited. (Government Code Section 53652(a))

h) First trust deed real estate mortgages may be accepted as collateral providing they have a market value of at least 100 percent in excess of total amount deposited and comply with California Government Code Section 53651.2.

i) When other factors are equal, appropriate consideration will be given to a financial institution that contributes service or offers significant assistance to the Agency.

6. Local Agency Investment Fund Deposits

Deposits for the purpose of investment in the Local Agency Investment Fund of the State Treasury may be made up to the maximum amount permitted by State Treasury policy.

7. Negotiable Certificates of Deposit

The Treasurer may invest in negotiable certificates of deposit as follows:

a) Investment in negotiable certificates of deposit shall not exceed 30 percent of the total portfolio in effect immediately after any such investment is made.

b) To be eligible, a certificate of deposit must be issued by a nationally or state chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial code), a state or federal credit union, or by a federally licensed branch of a foreign bank as well as any state licensed foreign bank. (Government Code Section 53601(i).)

c) Eligibility for deposits shall be limited to those financial institutions, which maintain a rating equivalent to the highest ranking or the highest letter and number rating as provided by a nationally recognized statistical rating organization (NRSRO).

d) The investment shall not exceed the shareholders' equity of any depository bank. For the purposes of this constraint, shareholders' equity shall be deemed to include capital notes and debentures. (Government Code Section 53638(a))

e) The investment shall not exceed 25 percent of the total net worth of any depository savings association or federal association.

f) The total investment in an eligible financial institution shall not exceed 25 percent of the total portfolio available for investment in this investment category.

g) The maximum maturity shall be limited to 5 years.

j) All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third-party trustee and valued on a monthly basis. The percentage of collateralization on repurchases and reverse repurchase agreements will adhere to the amount required under California Government Code §53601(j)(2).

8. Bankers' Acceptances

The Treasurer may invest in bankers' acceptances as follows:

a) Investment in prime bankers' acceptance shall not exceed 40 percent of the portfolio in effect immediately after any such investment is made.

b) Eligibility shall be limited to those financial institutions which maintain a rating equivalent to the highest letter and number rating as provided by a nationally recognized statistical rating organization (NRSRO) and "III/III" for foreign banks if a rating service is utilized.

c) No more than 30 percent of this category of investments may be invested in any one commercial bank's acceptances.

d) The maximum maturity shall be limited to 180 days. (Government Code Section 53601 (g))

9. Commercial Paper

The Treasurer may invest in commercial paper as follows:

a) Only commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided by the highest letter and number rating as provided by a nationally recognized statistical rating organization (NRSRO) may be purchased. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2) (Government Code Section 53601 (h)):

   (1) The entity meets the following criteria:

      (A) Is organized and operating within the United States as a general corporation;

      (B) Has total assets in excess of $500,000,000;

      (C) Has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO.

   (2) The entity meets the following criteria:

      (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company;

      (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond;

      (C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.

b) Investments in commercial paper shall not exceed 20 percent of the portfolio.

c) No more than 10 percent of the outstanding commercial paper of an issuing corporation may be purchased. (Government Code Sections 53601 (h) and 53635 (a)(1))

d) The total investment in an eligible financial institution shall not exceed 10 percent of the total portfolio available for investment in this investment category.

e) The term shall not exceed 270 days. (Government Code Section 53601 (h))

10. U.S. Government and Agencies

The Treasurer may invest in debts issued by governmental agencies as follows:

a) The concentration of investments in federal agency obligations shall not exceed 50 percent of all investments in effect immediately after any such investment is made.

b) Investments in U.S. Treasury obligations shall not be subject to any limitations.

c) Investments in direct obligations of the U.S. Government shall not be subject to any limitations.

11. Bond Funds

a) Notwithstanding anything to the contrary contained in these Guidelines, moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of the Agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolutions, indenture, or agreement of the Agency providing for the issuance, all in accordance with Section 53601 of the Government Code.

b) Investments may be made of bond proceeds and surplus funds in collateralized guaranteed investment agreements or contracts, fully secured by government securities or by obligations guaranteed by the U.S. Government provided, however, that (a) the Agency or its agent shall have received a perfected first security interest in the obligation securing such investment agreement or contract, (b) the Agency or its agent shall hold the obligations securing such investment agreements or contracts, (c) the Agency or its agent shall hold such obligations free and clear of the claims of third parties, and, (d) the investment agreements or contracts are collateralized at 104 percent by the government securities or obligations guaranteed by the U.S. Government and market valued at least monthly.

12. Exchange of Securities

An exchange of securities is a shift of assets from one instrument to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. In no instance shall an exchange be used for speculative purposes. Any such exchange shall be simultaneous (same day execution of sale and purchase), and shall require the approval of the Treasurer.

13. Safekeeping

a) All security transactions entered into by the Pajaro Valley Water Management Agency shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the Pajaro Valley Water Management Agency by book entry, physical delivery or by third party custodial agreement as required by California Government Code §53601.

b) All financial institutions shall be instructed to mail confirmation and safekeeping receipts directly to the Finance Officer for audit.

14. Portfolio Adjustments

Any reference to portfolio shall mean the total of the Agency's cash and securities under management by the Treasurer.

a) Should any investment percentage-of-portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses.

b) When no loss is indicated, the Treasurer shall consider restructuring the portfolio basing his decision in part on the expected length of time the portfolio will be imbalanced.

15. Purchase and Sales of Securities

a) Information concerning investment opportunities and market developments may be gained by maintaining contact with the financial community together with information provided by the Agency's Board approved financial consultant.

b) The purchase of any investment other than those purchased directly from the issuer shall be, to the extent possible, from a firm designated as a Primary Dealer by the Federal Reserve Bank of New York.

c) When practicable, the Treasurer shall solicit more than one quotation on each trade.

16. Reporting Requirements

In accordance with California Government Code §53646(b)(1), the Finance Officer shall submit to each member of the Board of Directors a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Pajaro Valley Water Management Agency by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in California Government Code §53646(e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Pajaro Valley Water Management Agency will meet its expenditure obligations for the next six months as required by California Government Code §53646 (b)(2) and (3) respectively. The Finance Officer shall maintain a complete and timely record of all investment transactions.

17. Prohibited Investments

Under the provisions of California Government Code §53601.6, the Pajaro Valley Water Management Agency shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

18. Investment Policy Administration

The Treasurer may, at any time, further restrict the securities approved for investment as deemed appropriate. This policy shall be reviewed at least annually.

19. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

***

MEMORANDUM

DATE: June 7, 2024
MEETING OF: June 11, 2024
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 8:** Consider Resolutions Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees)

BACKGROUND

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

The counties collect the Management Fee on behalf of the PV Water through a special levy. To enable this collection, the PV Water must prepare listings of the parcel charges and submit them by August 1, along with a request to place these billings on the tax rolls. Resolution 2024-XX constitutes this request. In addition to the standard resolution staff request the PV Water Board of Directors to adopt each year, Monterey County has requested a separate resolution along with an opinion from PV Water's General Counsel pertaining to the Management Fee (attached).

FISCAL IMPACT

Santa Cruz County charges 1.00% for administrative costs, approximately $3,000.00, Monterey County charges 0.25%, approximately $160.00. San Benito County charges $0.30 per parcel, or approximately $90.00. These charges are anticipated in the Fiscal Year 2024-2025 budget.

STAFF RECOMMENDATION

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

ATTACHMENT

- Resolution 2024-XX
- Opinion from General Counsel dated May 13, 2024
- Resolution 2024-XY

Resolution 2024-XX

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

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

WHEREAS, the initial major source of income for the Pajaro Valley Water Management Agency (PV Water) as established in 1984 has been a Management Fee assessed to each parcel within PV Water's jurisdiction, which for 2024-2025 will be at the rate of $18 per residential and $20 per commercial parcel; and

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

WHEREAS, the Pajaro Valley Water Management Agency ("Public Agency") requests that the Public Agency's management fee be placed on the Monterey County, San Benito County and Santa Cruz County 2024-2025 tax rolls for collection and distribution.

NOW, THEREFORE, BE IT RESOLVED, as follows:

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

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

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **xx** day of **June**, **2024**, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Amy Newell, Chair

Attest:

_____
Laura R. Taay, Board Secretary

DRAFT

Exhibit "A" to
Resolution 2024-XX
A Resolution of the Board of Directors of the
Pajaro Valley Water Management Agency

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

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Fiscal Year 2024-2025

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

DRAFT

ATCHISON, BARISONE & CONDOTTI, AP(

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M E M O R A N D U M

June 7, 2024

TO: Monterey County Auditor - Controller

FROM: Anthony P. Condotti

RE: Management Fee Imposed by Pajaro Valley Water Management Agency

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I provide this opinion pursuant to the Agreement between the Pajaro Valley Water Management Agency (PV Water) and the County of Monterey related to the Management Fee collected pursuant to Section 902 of the Pajaro Valley Water Management Agency Act (the "Act"), initially enacted pursuant to Ordinance No. 85-1 in July, 1985 and later amendmed by Ordinances 87-1, 88-1, 92-2, 93-2 and 93-3. The Management Fee has not been increased or modified since 1993. Its validity was upheld by the Sixth Appellate District California Court of Appeal in *Harold Griffith v. Pajaro Valley Water Management Agency* (2013) 220 Cal.App.4th 586.

Background.
In 2007, the Sixth Appellate District Court of Appeal issued a decision in a case entitled *Pajaro Valley Water Management Agency v. Amrhein* (2007) 150 Cal.App.4th 1364, which invalidated an ordinance enacted by PV Water in 2003 (Ordinance No. 2003-01) increasing its Augmentation Charge[1] from $80-$120 per acre-foot. In 2008, PV Water entered into a settlement agreement resolving multiple consolidated lawsuits challenging the validity of the Management Fee and several ordinances amending and increasing its Augmentation Charge (the "Consolidated Actions"). Under the terms of the settlement agreement, PV Water agreed to rescind and refund all Augmentation Charges collected pursuant to increases adopted in 2003 and 2004 (Ordinance Nos. 2003-01 and 2004-02), and Plaintiffs agreed to dismiss their legal challenges to the Management Fee and an Augmentation Charge increase adopted in 2002 (Ordinance No. 2002-02). Plaintiffs and PV Water then entered into a stipulated agreement for entry of judgment (the "stipulated agreement"). The stipulated agreement provided: "all matters raised in the [Consolidated Actions] as to the Agency's actions shall be resolved by entry of judgment in the [Consolidated Actions]." It also stated that the "settlement extinguishes any and all claims arising out of the [Consolidated Actions] and all issues, transactions and/or related claims or actions

[1] The Augmentation Charge is not at issue here.

including all claims that the parties have made or could have made with respect to the validity of any Augmentation Charge *or Management Fee ordinances currently in effect* … .[italics added]." The stipulated agreement left intact Ordinance 93-3 (Management Fee) and Ordinance 2002-02 (Augmentation Charge). Following entry of a stipulated judgment in the Consolidated Actions, a sitting member of the PV Water Board of Directors, John G. Eiskamp, filed a lawsuit challenging the validity of Ordinance No. 2002-02, claiming that it violated Proposition 218. Eiskamp's challenge was rejected by the trial court and the trial court's decisions was later upheld by the Sixth Appellate District Court of Appeal in a reported decision entitled *Eiskamp v. PV Water* (2012) 203 Cal.App.4th 97, which concluded that the challenge was barred by the doctrine of res judicata because the 2008 stipulated judgment in the pending litigation resolved the issue against all persons. The Court of Appeal specifically held that "Since the pending litigation was a validation proceeding, the judgment entered pursuant to the stipulated agreement was 'binding and conclusive … against [defendant] and against all other persons' (Code Civ. Proc., § 870, subd. (a)), including Eiskamp." (Id. at p. 106.)

The following year the same Court of Appeal, in *Griffith v. PVWMA* (2013) 220 Cal.App.4th 586, rejected a similar challenge to the validity of the Management Fee, specifically holding that "the parties extinguished 'any and all claims arising out of the Pending Litigation [and] all issues, transactions and/or related claims or actions including all claims that the parties have made or could have made with respect to the validity of any Augmentation Charge *or Management Fee* ordinances."[2]

Conclusion.
Based on the foregoing, it is my legal opinion that the Management Fee collected pursuant to the Agreement between PV Water and the County of Monterey is in full compliance with all requirements of state law, including but not limited to Articles XIIIC and XIIID of the California Constitution, and PV Water agrees to reaffirm the validity of the Management Fee each time it requests the County to collect such Fee.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

Anthony P. Condotti
General Counsel

cc: Brian Lockwood, General Manager

[2] 220 Cal.App.4th at 605.

Resolution 2024-XY

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

CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT TO THE LEVYING OF GENERAL AND SPECIAL TAXES, ASSESSMENTS, AND PROPERTY-RELATED FEES AND CHARGES

WHEREAS, Pajaro Valley Water Management Agency ("Public Agency") requests that the County of Monterey Auditor-Controller enter those general or special taxes, assessments, or property related fees or charges identified in Exhibit "A" on the tax roll for collection by the County of Monterey Treasurer-Tax Collector and distribution by the County of Monterey Auditor-Controller commencing with the property tax bills for fiscal year 2024-25;

NOW, THEREFORE, BE IT RESOLVED as follows:

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

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

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the xx day of June 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Amy Newell, Chair

Attest:

_____
Laura R. Taay, Board Secretary

DRAFT

EXHIBIT "A"
TO
RESOLUTION CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT TO THE LEVYING OF GENERAL AND SPECIAL TAXES, ASSESSMENTS, AND PROPERTY-RELATED FEES AND CHARGES

FISCAL YEAR 2024-25

GENERAL TAXES:

SPECIAL TAXES:

ASSESSMENTS:

PROPERTY-RELATED FEES AND CHARGES:

PAJARO VALLEY WATER MANAGEMENT AGENCY

Account Activity Report per Bank Statement

	Date	Deposits	Withdrawals	Balance
CLEARING ACCOUNT - Mechanics				
Beginning Balance	4/1/2024			$384,628
Cash Receipts				
Disbursements			2,758,307	
Transfers		2,434,490		
Bank Fees				
Ending Balance	4/30/2024			$60,811
GENERAL FUND10-MMA Mechanics				
Beginning Balance	4/1/2024			$1,654,663
Cash Receipts		25,796		
Transfers			7,142	
Interest Earned		6,301		
Bank Fees				
Ending Balance	4/30/2024			$1,679,618
GENERAL FUND 10 - LAIF				
Beginning Balance	4/1/2024			$2,289,850
Transfers				
Interest Earned		24,467		
Ending Balance	4/30/2024			$2,314,317
GENERAL FUND 20 - LAIF				
Beginning Balance	4/1/2024			$8,408,388
Transfers				
Interest Earned		89,842		
Ending Balance	4/30/2024			$8,498,230
SPECIAL REVENUE FUND 20-ACH Clearing Acct Mechanics				
Beginning Balance	4/1/2024			$0
Cash Receipts				
Sweep/Transfers				
Disbursments/ACH-Wire				
Bank Fees				
Ending Balance	4/30/2024			$0
SPECIAL REVENUE FUND 20-Operating Mechanics				
Beginning Balance	4/1/2024			$11,690
Cash Receipts		3,795,894		
Transfers		0	3,801,525	
Disbursments/ACH-Wire			0	
Bank Fees			1,378	
Interest Earned				
Ending Balance	4/30/2024			$4,681
SPECIAL REVENUE Fund 20 Cash Mgmt-FUND20MMN Mechanics				
Beginning Balance	4/1/2024			$7,212,368
Transfers		3,690,000	2,315,823	
Disbursments/ACH-Wire				
Bank Fees				
Interest Earned		24,023		
Ending Balance	4/30/2024			$8,610,569
BNY Mellon Construction Fd - 2023 Certificates of Participation				
Beginning Balance	4/1/2024			$188,689
Transfers				
Interest Earned				
Ending Balance	4/30/2024			$188,689
Certificate of Deposit - DWR Loan Reserve Mechanics Fund 40				
Beginning Balance	4/1/2024			$266,430
Interest Earned		1,097.00		
Ending Balance	4/30/2024			$267,527
Certificate of Deposit - SRF-D1501023				
Beginning Balance	4/1/2024			$78,559
Transfers				
Interest Earned		0.00		
Ending Balance	4/30/2024			$78,559

Prior Month Ending Cash Balance:	Total Deposits:	Total Withdrawals:	Month End Cash Balance:
20,495,266	10,091,909	8,884,174	21,703,001
Cash Transfers	6,124,490	6,124,490	-
Actual Cash Receipts/Disbursements	3,967,419	2,759,685	

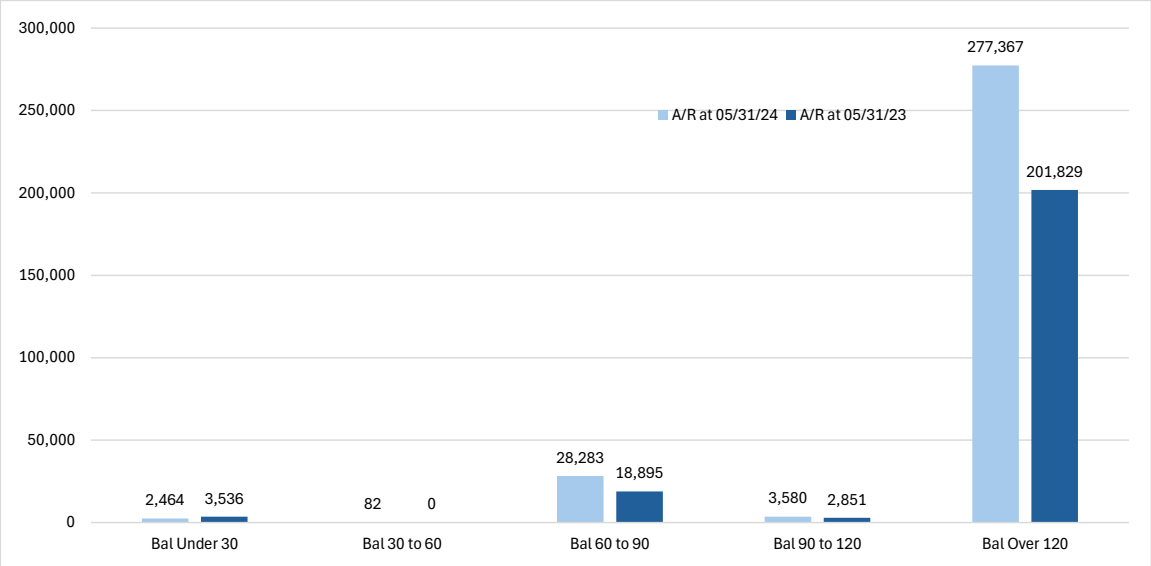
PAJARO VALLEY WATER MANAGEMENT AGENCY
INVESTMENT REPORT
ALL FUNDS
April 30, 2024

Description	Current Yield	Investment	% of Total Portfolio	Weighted Yield
Mechanics Clearing Account	0.00%	**$60,811**	0.28%	0.00%
General Fund 10				
Mechanics General Fund 10 Money Market Account	4.44%	1,679,618	7.74%	0.34%
Local Agency Investment Fund	4.30%	2,314,317	10.66%	0.46%
		$3,993,934		
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%	4,681	0.02%	0.00%
Mechanics Special Revenue Fund 20 Money Market Account	4.44%	8,610,569	39.67%	1.76%
Local Agency Investment Fund	4.30%	8,498,230	39.16%	1.68%
		$17,113,480		
Capital Projects Fund 30				
BNY Mellon Construction Fund - 2023 COPs	5.05%	**$188,689**	0.87%	0.04%
Long Term Debt Fund 40				
Mechanics Certificate of Deposit DWR Loan Reserve	4.85%	$267,527	1.23%	0.06%
Mechanics Certificate of Deposit SRF-D1501023	4.85%	$78,559	0.36%	0.02%
		346,086		
	Total:	**$21,703,001**	**100.0%**	

Total Funds Reserved	346,086
Total Funds Invested	21,291,422
Total Funds Non-Interest Bearing	65,491
Total Funds	**$21,703,001**
Total Available Funds	21,356,913
Cash Reserve Policy Requirements (PV Water)	6,820,000
Surplus (Deficit) of Funds	**$14,536,913**

PV Water
Accounts Receivable Aging 3 Month Trend
As of 05/31/2024

	Balance Forward	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Accounts Receivable before credits	311,776	2,464	82	28,283	3,580	277,367
Credits	(5,903)					
Total Accounts Receivable at 05/31/24	305,873					
Accounts Receivable before credits	227,111	3,536	0	18,895	2,851	201,829
Credits	(23,422)					
Total Accounts Receivable at 05/31/23	203,689					
Accounts Receivable before credits	439,935	86	130,673	4,073	8,372	296,730
Credits	(4,509)					
Total Accounts Receivable at 04/30/24	435,425					
Accounts Receivable before credits	1,358,771	964,318	4,427	9,083	83,816	297,127
Credits	(3,345)					
Total Accounts Receivable at 03/31/24	1,355,426					



Accounts Payable

Checks by Date - Detail by Check Date

User: priscilla
Printed: 5/31/2024 1:55 PM

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
ACH	A1250	AFLAC- FLEX ONE	05/03/2024	
	EE Deferrals	EE PR Deferrals		499.25
			Total for this ACH Check for Vendor A1250:	499.25
ACH	A300	ACWA/JPIA	05/03/2024	
	Inv0702768	EE PR Deferrals		33,718.47
			Total for this ACH Check for Vendor A300:	33,718.47
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	05/03/2024	
	EE Deferrals	EE PR Deferrals		5,050.00
			Total for this ACH Check for Vendor N125:	5,050.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	05/03/2024	
	EE Deferrals	ER/EE Retirement Contributions		11,038.16
	EE Retirement Contrib	EE PR Deferrals		1,830.94
			Total for this ACH Check for Vendor P1300:	12,869.10
ACH	P555	PVWMA-Cafeteria Account	05/03/2024	
	EE Deferrals	EE PR Deferrals		693.43
			Total for this ACH Check for Vendor P555:	693.43
45233	A910	ATCHINSON,BARISONE,CONDOTTI	05/03/2024	
	34472	General/WSR/CL Legal Services 3/1 to 3/31/2024		8,118.89
	34473	Litigation services 3/1 to 3/31/2024		66.00
	34474	PVWMA Collections 3/1 to 3/31/2024		2,774.55
			Total for Check Number 45233:	10,959.44
45234	C103	CBEC ECO ENGINEERING INC	05/03/2024	
	23-1017-11	CL Hydrologic Monitoring 3/1 to 3/31/24		8,937.00
			Total for Check Number 45234:	8,937.00
45235	C1580	SPECTRUM BUSINESS COMMUNICATIONS	05/03/2024	
	0124982042024	76 Holahan/Internet/communication		134.98
	0154296042324	36 Brennan L.Line & Internet services		656.84
			Total for Check Number 45235:	791.82
45236	L538	LSP SPANISH	05/03/2024	
	2024-010	General Office Support 4/18 to 4/30/24		1,855.00
			Total for Check Number 45236:	1,855.00

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
45237	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	05/03/2024	
	240328-020	Water samples Groundwater 3/28/2024		645.00
	240410-078	Water samples CDS 4/10/2024		2,395.00
			Total for Check Number 45237:	3,040.00
45238	M1872	MICROSOFT	05/03/2024	
	E0400RLWIT	IT-Online Hydrology 365 Support		12.50
			Total for Check Number 45238:	12.50
45239	O217	OFFICE AND HOME CLEANING SERVICES	05/03/2024	
	2508	36 Brennan Mo. Office housekeeping		600.00
	2509	76 Holohan Mo. Housekeeping		600.00
			Total for Check Number 45239:	1,200.00
45240	P1109	BELINDA PLATTS	05/03/2024	
	2024-02	Invoice 2024 - 2nd Annual Report		150.00
			Total for Check Number 45240:	150.00
45241	P180	PENINSULA MESSENGER LLC	05/03/2024	
	1371974	Monthly RaboBank Courier		141.00
			Total for Check Number 45241:	141.00
45242	P300	PAJARO VALLEY CHAMBER OF COMMERCE	05/03/2024	
	12027	Annual membership renewal 4/24 thru 5/25		158.55
			Total for Check Number 45242:	158.55
45243	P800	PG & E	05/03/2024	
	0688235687-3	Service at 76 Holohan Rd		740.66
	2926809320-9	Service at 36-B Brennan St		188.78
	3015753830-4	Electric Pump/2 homes/76 & 116 Holohan		28.87
			Total for Check Number 45243:	958.31
45244	P950	PITNEY BOWES PURCHASE POWER, INC.	05/03/2024	
	8000-9000-0396-	Postage Machine Stamp Purchase	8000-9000-0396	328.35
			Total for Check Number 45244:	328.35
45245	Q110	4Q FARMS	05/03/2024	
	052-272-01	Crop Loss Vukasovich-Haines		2,970.00
			Total for Check Number 45245:	2,970.00
45246	R605	ROTARY CLUB OF FREEDOM	05/03/2024	
	000056	Quarterly Dues-Lockwood		250.00
			Total for Check Number 45246:	250.00
45247	S1417	SCCRTC	05/03/2024	
	29068	Permit application fee, Agrt tracking 29068		2,500.00
			Total for Check Number 45247:	2,500.00
45248	S876	SANTA CRUZ SENTINEL	05/03/2024	
	1578005	Office Newspaper		125.63
			Total for Check Number 45248:	125.63

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
45249	T328	TREE TOP WEB DESIGN INC	05/03/2024	
	3711	IT-Website support services		123.75
			Total for Check Number 45249:	123.75
45250	U185	U.S. BANK EQUIPMENT FINANCE	05/03/2024	
	527221675	RICOH Office Copier		208.57
	527396170	RICOH Office Copier		79.55
			Total for Check Number 45250:	288.12
45251	W400	CITY OF WATSONVILLE UTILITIES	05/03/2024	
	CUST#602389	Office Montly Utilities		177.69
			Total for Check Number 45251:	177.69
45252	Z100	ZAG TECHNICAL SERVICES, INC.	05/03/2024	
	145109	IT-Agremment RMM Patching and AV for 11/23		292.50
	145193	IT-Agremment RMM Patching and AV for 11/23		243.75
			Total for Check Number 45252:	536.25
			Total for 5/3/2024:	88,333.66
ACH	C571	CALIFORNIA BANK OF COMMERCE	05/09/2024	
	91602-11R	Escrow 1159037 Ret CL Pro#30-39-502 for 3/1-03/31/24		85,245.00
			Total for this ACH Check for Vendor C571:	85,245.00
ACH	C572	CALIFORNIA BANK OF COMMERCE	05/09/2024	
	91601-11R	Escrow#1159045 Ret CL Pro #30-39-501 for 3/1-3/31/24		33,148.94
			Total for this ACH Check for Vendor C572:	33,148.94
ACH	M2213	MOUNTAIN CASCADE, INC.	05/09/2024	
	91602-11	CL Contr$44,989,854 Proj#30-39-501 for 3/1 to 3/31/24		1,619,655.00
			Total for this ACH Check for Vendor M2213:	1,619,655.00
ACH	M2214	MOUNTAIN CASCADE, INC.	05/09/2024	
	91601-11	CL/Contr$18,101,644 Proj#30-39-502 for 3/1 to 3/31/24		629,829.84
			Total for this ACH Check for Vendor M2214:	629,829.84
45253	A190	ACE HARDWARE OF WATSONVILLE INC	05/09/2024	
	230016	Dash duster; Car air frsh		19.73
	230026	Spclty spry metallic gld		8.77
			Total for Check Number 45253:	28.50
45254	A400	ACWA/JPIA WORKERS COMP	05/09/2024	
	Quarter 3	Worker's Compensation Ins. for 1/1/24 to 3/31/24		4,952.60
			Total for Check Number 45254:	4,952.60
45255	G190	GREEN RUBBER KENNEDY AG. INC.	05/09/2024	
	W-580486	CD's parts field supplies		159.62
	W-580543	PSI gages for turnouts		286.32
			Total for Check Number 45255:	445.94

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
45256	L538	LSP SPANISH	05/09/2024	
	2024-011	General Office support 5/1 to 5/10/24		2,030.00
			Total for Check Number 45256:	2,030.00
45257	P800	PG & E	05/09/2024	
	4291054495-8	Service at 475 San Andreas Roa		934.96
	5916054391-0	Service at 187 C San Andreas Rd		2,836.26
			Total for Check Number 45257:	3,771.22
45258	P400	PVI PAJARO VALLEY IRRIGATION, INC.	05/09/2024	
	200071413	Remaining balance Inv.200071413		4.62
			Total for Check Number 45258:	4.62
45259	S1405	SC FUELS INC	05/09/2024	
	0866833	Agency vehicle fuel for 4/3 to 4/9/24		301.29
	0873544	Agency vehicle fuel for 4/16 to 4/26/24		697.02
			Total for Check Number 45259:	998.31
45260	S1681	SHAMROCK OFFICE SOLUTIONS	05/09/2024	
	4066109	36 Brennan/Cont. printer usage/BW & Clr		167.63
			Total for Check Number 45260:	167.63
45261	S2910	STREET SCENE ON & OFF ROAD	05/09/2024	
	45708	Repairs for vehicle #16 2022 Toyota Tacoma		2,996.76
			Total for Check Number 45261:	2,996.76
45262	T345	THE HOME DEPOT CREDIT SERVICES	05/09/2024	
	2513277	Pre-mixed stucco patch		23.66
	5211933	Field supplies, utilities 2023 Toyota		81.08
	8513612	Lumber for Harkings and Rodent repellet for CD's		215.55
	8624606	Vinyl rope		62.94
			Total for Check Number 45262:	383.23
			Total for 5/9/2024:	2,383,657.59
ACH	A1250	AFLAC- FLEX ONE	05/17/2024	
	EE Deferrals	EE PR Deferrals		499.25
			Total for this ACH Check for Vendor A1250:	499.25
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	05/17/2024	
	EE Deferrals	EE PR Deferrals		5,050.00
			Total for this ACH Check for Vendor N125:	5,050.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	05/17/2024	
	EE Deferrals	ER/EE Retirement Contributions		10,292.65
	EE Retirement Contrib	EE PR Deferrals		1,830.94
			Total for this ACH Check for Vendor P1300:	12,123.59
ACH	P555	PVWMA-Cafeteria Account	05/17/2024	
	EE Deferrals	EE PR Deferrals		693.43
			Total for this ACH Check for Vendor P555:	693.43
ACH	S2865	SWCA ENVIRONMENTAL CONSULT. INC.	05/17/2024	

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
	192576	CL. Integrated Resources Mngmnt Project. for 3/1 - 3/31/24		80,225.14
			Total for this ACH Check for Vendor S2865:	80,225.14
45263	A850	AVAYA FINANCIAL SERVICES.	05/17/2024	
	44736957	Phone/VM Lease Agreement for 5/1-5/31/24		435.12
			Total for Check Number 45263:	435.12
45264	B200	MARY BANNISTER	05/17/2024	
	MILEAGE REIMB	ACWA Conference for 5/7 thru 5/9/24		275.64
			Total for Check Number 45264:	275.64
45265	F360	FIRST ALARM, INC	05/17/2024	
	818587	Brennan replaced batteries/service call for 5/6/24		8.78
			Total for Check Number 45265:	8.78
45266	G195	GREENWASTE RECOVERY LLC	05/17/2024	
	ID#219557/INV#0007434	76 Holohan Green Waste for 4/24	219557	130.67
			Total for Check Number 45266:	130.67
45267	G330	GUTIERREZ CONSULTANTS, INC.	05/17/2024	
	1863	Grant Support Serv for 3/1 to 3/31/24		5,520.00
			Total for Check Number 45267:	5,520.00
45268	L563	BRIAN LOCKWOOD	05/17/2024	
	REIMB	Reimb./ACWA Conferense/Sac. for 5/24		237.74
			Total for Check Number 45268:	237.74
45269	M1050	MAGGIORA BROS. DRILLING INC.	05/17/2024	
	109718	BW-2 & Bosster pump trouble shooting for 4/24		371.25
			Total for Check Number 45269:	371.25
45270	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	05/17/2024	
	240417-034	Water Samples Groundwater for 4/17/24		612.00
	240417-053	Water Samples Groundwater for 4/17/24		408.00
			Total for Check Number 45270:	1,020.00
45271	M1865	MONTGOMERY & ASSOCIATES INC	05/17/2024	
	9090-24-3A	M&A Review & Support WY 2023 Annual report thru 3/31/24		395.00
			Total for Check Number 45271:	395.00
45272	M1875	MICROSOFT AZURE	05/17/2024	
	E0600S14DF	IT-Support/Pay as you go for 3/12/24 - 4/11/24		15.00
			Total for Check Number 45272:	15.00
45273	P800	PG & E	05/17/2024	
	1787734656-3	Service at 1859 Beach rd/BW-2 for 4/10 to 5/8/24		9,668.82
	9214983032-2	Service at 1931 Beach rd/BW-1 for 4/10 to 5/8/24		625.06
	9218085363-9	Service at 162 San Andreas Rd/HSP Pump for 4/10 to 5/8/24		11,606.40
			Total for Check Number 45273:	21,900.28

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
45274	R40	CARDMEMBER SERVICE	05/17/2024	
	APR2024	Staff Credit Card Purchases		1,822.02
			Total for Check Number 45274:	1,822.02
45275	R790	ROYAL OAKS AUTO REPAIR INC	05/17/2024	
	52003	Veh. Maint. For Veh #3 (flat tire) for 5/24		25.00
			Total for Check Number 45275:	25.00
45276	S1681	SHAMROCK OFFICE SOLUTIONS	05/17/2024	
	4072789	76 Holohan/Cont. printer usage/BW & Clr for 4/2 - 5/1/24		12.99
			Total for Check Number 45276:	12.99
45277	S2616	STEPHEN RIDER	05/17/2024	
	MILEAGE REIMB	ACWA Conference for 5/7 thru 5/9/24		214.66
			Total for Check Number 45277:	214.66
45278	T-180	TAAY, LAURA	05/17/2024	
	REIMB	Reimb/cake Lupe's bday for 5/24		28.99
			Total for Check Number 45278:	28.99
45279	T333	THE BANK OF NEW YORK MELLON TRUST CO.	05/17/2024	
	252-2631046	Water Rev. refund bond fee	PAJAROVWMA	1,375.00
			Total for Check Number 45279:	1,375.00
45280	V369	VERIZON WIRELESS	05/17/2024	
	9962976739	Agency Personnel Cell Phones & equipt. for 4/2 - 5/1/24		475.00
			Total for Check Number 45280:	475.00
45281	W362	WATSONVILLE PAJARONIAN	05/17/2024	
	109827	Public Notice/Agency Prelim Budget FY 24-25 for 4/24		161.20
			Total for Check Number 45281:	161.20
45282	Z100	ZAG TECHNICAL SERVICES, INC.	05/17/2024	
	145369	IT-Monthly Agreement-KnowBe4 Security Awarness for 5/24		1,900.00
	145388	IT-Monthly Agreement-KnowBe4 Security Awarness for 5/24		164.88
	145452	IT-Billable/Regular Support Agreement for 4/24		146.25
	145591	IT-Billable/Regular Support Agreement for 5/24		341.25
			Total for Check Number 45282:	2,552.38
45283	C103	CBEC ECO ENGINEERING INC	05/17/2024	
	23-1017-12	CL Operations Plan Development for 4/1 - 4/31/24		13,136.50
			Total for Check Number 45283:	13,136.50
45284	E200	ELITE HOSPITALITY GROUP LLC	05/17/2024	
	1120-PV	Hotel during Night Construction for 4/24		1,462.95
	1121-PV	Hotel during Night Construction for 4/24		812.75
	1122-PV	Hotel during Night Construction for 4/24		2,113.15
	1123-PV	Hotel during Night Construction for 5/24		1,625.50
			Total for Check Number 45284:	6,014.35
45285	K310	KITTLESON ENVIRONMENTAL CONSULTING	05/17/2024	
	025.40	PVWMA 2024 Biological Consulting for 2/14-5/1/24		4,726.38
			Total for Check Number 45285:	4,726.38

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
45286	L50	LAKESIDE ORGANIC GARDENS	05/17/2024	
	CROP LOSS	Crop Loss-Shikuma/Lakeside-Rider/Vasquez/Repass-Rodgers		20,441.60
			Total for Check Number 45286:	20,441.60
45287	N353	KMUV/KION MONTEREY -SALINAS LLC	05/17/2024	
	680155-2	CL Construction on a pipeline proj.Ad & Outreach for 4/24		570.00
			Total for Check Number 45287:	570.00
45288	P1160	MIKE PODLECH	05/17/2024	
	2537	CL Fisheries Support Prof. Services for 3/1 to 4/30/24		825.00
			Total for Check Number 45288:	825.00
			Total for 5/17/2024:	181,281.96
ACH	C571	CALIFORNIA BANK OF COMMERCE	05/30/2024	
	91602-12R	Escrow#1159045 Ret.CL Pro #30-39-501-for 4/1 - 4/30/24		63,580.00
			Total for this ACH Check for Vendor C571:	63,580.00
ACH	C572	CALIFORNIA BANK OF COMMERCE	05/30/2024	
	91601-12R	Esccrow#1159037 Ret.CL Pro #30-39-502-for 4/1 - 4/30/24		67,906.42
			Total for this ACH Check for Vendor C572:	67,906.42
ACH	M2213	MOUNTAIN CASCADE, INC.	05/30/2024	
	91602-12	CL/Contr$44,989,854 Project#30-39-501 for 4/1 - 4/30/24		1,208,020.00
			Total for this ACH Check for Vendor M2213:	1,208,020.00
ACH	M2214	MOUNTAIN CASCADE, INC.	05/30/2024	
	91601-12	CL/Contr$23,707,310 Project#30-39-502 for 4/1 - 4/30/24		1,290,221.89
			Total for this ACH Check for Vendor M2214:	1,290,221.89
ACH	S2865	SWCA ENVIRONMENTAL CONSULT. INC.	05/30/2024	
	194549	CL Integrated Resources Mngmnt Project. For 4/1 - 4/30/24		60,204.26
			Total for this ACH Check for Vendor S2865:	60,204.26
ACH	T111	TANNER PACIFIC, INC	05/30/2024	
	224-149	CL Int. Res/Mgmt/TPI/Proj.582301.07 & 08 thru 4/30/24		522,141.75
			Total for this ACH Check for Vendor T111:	522,141.75
			Total for 5/30/2024:	3,212,074.32
45289	A910	ATCHINSON,BARISONE,CONDOTTI	05/31/2024	
	34493	Legal P/S General for 4/1 - 4/30/24		5,647.95
	34494	Legal P/S General for 4/1 - 4/30/24		1,131.70
	34495	Legal P/S General Matters for 4/1 - 4/30/24		5,757.90
			Total for Check Number 45289:	12,537.55
45290	C103	CBEC ECO ENGINEERING INC	05/31/2024	
	17-1003-6-27	CL Hydrologic Monitoring 2022-2023 for 4/1 to 4/30/24		6,296.00
			Total for Check Number 45290:	6,296.00

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
45291	C1099	CAROLLO ENGINEERS INC	05/31/2024	
	FB51060	BMP Prgm Mngmnt CL & WSR Planning Progress rep. for 3/1 - 4/30/24		4,933.00
	FB51196	PV Water HS & WSR System Projects Design for 4/1 - 4/30/24		190,543.56
	FB51200	PV Water's CL Integrated. Res./Mgmt (BMP) for 4/1 - 4/30/24		84,180.75
			Total for Check Number 45291:	279,657.31
45292	C1580	SPECTRUM BUSINESS COMMUNICATIONS	05/31/2024	
	012498205224	76 Holohan/Internet/communication for 5/20 to 6/19/24		134.98
	0154296052324	36 Brennan Line & Internet services for 5/23 to 6/22/24		656.78
			Total for Check Number 45292:	791.76
45293	C960	CARDIFF PEST CONTROL INC	05/31/2024	
	0146978	Pest control office fumigation		110.00
			Total for Check Number 45293:	110.00
45294	E500	ENVIRONMENTAL SCIENCE ASSOCIATES	05/31/2024	
	196067	Updating WSR/HSR/CL Pipeline Project for 4/1 - 4/30/24		9,908.00
			Total for Check Number 45294:	9,908.00
45295	G170	GRAINGER	05/31/2024	
	9128211498	CDS Supplies for 5/24		285.53
			Total for Check Number 45295:	285.53
45296	G190	GREEN RUBBER KENNEDY AG. INC.	05/31/2024	
	W-581343	CDS Turnout Supplies for 5/24		366.14
			Total for Check Number 45296:	366.14
45297	G330	GUTIERREZ CONSULTANTS, INC.	05/31/2024	
	1864	MLRP Grant Services for 3/1 to 3/31/24		2,346.00
			Total for Check Number 45297:	2,346.00
45298	J251	JAIME MARQUEZ	05/31/2024	
	REIMB	Reimb Cert.Backflow Prevention, mileage & parking for 4/24		1,588.97
			Total for Check Number 45298:	1,588.97
45299	J301	JACOBS ENGINEERING GROUP INC.	05/31/2024	
	W8Y08701	CL Pipeline Project/Eng.Services Dsgn for 3/24 to 4/26/24		19,609.51
			Total for Check Number 45299:	19,609.51
45300	M1010	MAGNOLIA GARDENING INC	05/31/2024	
	31761	36 Brennan Building Mo. Landscape Maint. For 5/24		100.00
	31959	76 Holohan Building Mo. Landscape Maint. For 5/24		90.00
			Total for Check Number 45300:	190.00
45301	M1086	MILLER MAXFIELD, INC.	05/31/2024	
	0424PV	CL Ad. plan updates, graphic, design Social M. for 4/24		1,581.25
			Total for Check Number 45301:	1,581.25
45302	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	05/31/2024	
	240425-014	Water Samples Groundwater for 4/25/24		804.00
			Total for Check Number 45302:	804.00

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
45303	M1650	MONTEREY COUNTY ASSESSOR	05/31/2024	
	378	Disclaimer Assessor Parcel/PVWMA Data Report for 5/24		300.00
			Total for Check Number 45303:	300.00
45304	M1865	MONTGOMERY & ASSOCIATES INC	05/31/2024	
	9090-24-4	Monitoring Network Expansion PM for 11/1/23 to 4/30/24		1,642.50
			Total for Check Number 45304:	1,642.50
45305	M1872	MICROSOFT	05/31/2024	
	E0400RZDUY	IT-Online Hydrology 365 Support for 4/17 - 5/16/24		12.50
			Total for Check Number 45305:	12.50
45306	M355	MBWWA	05/31/2024	
	TRAINING FEE	Water Treatment/Distribution/training/Shinehah, Jaime, Juan		150.00
			Total for Check Number 45306:	150.00
45307	M990	MARCUS MENDIOLA	05/31/2024	
	Reimb	Mileage Reimb/CAPIO Conferense for 5/24		148.39
			Total for Check Number 45307:	148.39
45308	P800	PG & E	05/31/2024	
	0688235687-3	Service at 76 Holohan Rd for 4/22 to 5/20/24		670.31
	2926809320-9	Service at 36 B Brennan St for 4/23 to 5/21/24		234.32
	3015753830-4	Electric Pump/2 homes/76 & 116 Holohan for 4/23 to 5/21/24		151.97
	3771390038-1	Service at Jensen Rd #3 for 4/19 to 5/19/24		9.53
	4291054495-8	Service at 475 San Andreas Rd for 4/22 to 5/20/24		2,336.38
	5916054391-0	Service at 187C San Andreas Rd for 4/22 to 5/20/24		4,349.79
	9968544374-1	Service at 36 Brennan St for 4/8 to 5/8/24		166.00
	9968544374-1	Service at 36 Brennan St for 4/8 to 5/8/24		498.02
			Total for Check Number 45308:	8,416.32
45309	S1405	SC FUELS INC	05/31/2024	
	0881031	Agency Vehicles Fuel for 5/2 to 5/10/24		593.90
			Total for Check Number 45309:	593.90
45310	S830	RESOURCE CONSERVATION SANTA CRUZ COUNTY RCA	05/31/2024	
	2IIE 13F	PV Water 2021 Irrigation Efficiency for 1/1 - 3/31/24		50,962.25
			Total for Check Number 45310:	50,962.25
45311	T305	TELSTAR INSTRUMENTS, INC.	05/31/2024	
	121575	Job# 30-40733 Comp Software Programming for 4/24		6,776.82
	121621	Design WSR/WSSMAR Tagging for 5/24		6,441.60
			Total for Check Number 45311:	13,218.42
45312	T345	THE HOME DEPOT CREDIT SERVICES	05/31/2024	
		Field Supplies/Operations & Equipment for 4/24		25.17
		Field Supplies/Operations & Equipment for 4/24		24.14
			Total for Check Number 45312:	49.31
45313	U185	U.S. BANK EQUIPMENT FINANCE	05/31/2024	
	529470908	RICOH Office Copier (36 Brennan) for 5/24		208.57
	529636540	RICOH Office Copier (upstairs) for 5/24		79.55
			Total for Check Number 45313:	288.12

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
45314	W400	CITY OF WATSONVILLE UTILITIES	05/31/2024	
	CUST#602389	Office Monthly Utilities for 4/9 to 5/15/24		177.69
			Total for Check Number 45314:	177.69
45315	W80	WAGEWORKS INC.	05/31/2024	
	INV6583109	Mo. Admin & Compliance fee for 5/24		104.00
			Total for Check Number 45315:	104.00
45316	Z100	ZAG TECHNICAL SERVICES, INC.	05/31/2024	
	145710	IT-Mo. Subs./base retention Agreement-Datto Cloud for 5/24		970.80
	145952	IT-Agreement CSP for 5/24		394.56
	146018	IT-Billable/Regular Support Agreement for 5/24		341.25
			Total for Check Number 45316:	1,706.61
			Total for 5/31/2024:	413,842.03
			Report Total (104 checks):	6,279,189.56