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

Pajaro Valley
Water Management Agency

Proposed
Preliminary Budget
Fiscal Year 2024-2025

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Cover Photo:
College Lake Integrated Resources Management Project, Water Intake Facility – Under Construction
Shinehah Bigham, Water System Operator

PAJARO VALLEY WATER MANAGEMENT AGENCY
PROPOSED PRELIMINARY BUDGET
FISCAL YEAR 2024-2025

Introduction

Seawater intrusion in the Pajaro Valley Subbasin, 3-002.01 (Basin) was first documented in 1953. Throughout much of the Pajaro Valley Groundwater Basin long-term groundwater overdraft conditions have resulted in groundwater levels declining below sea level seasonally. In the coastal area this creates a landward pressure gradient that causes seawater to flow in to, and contaminate, freshwater aquifers. Seawater intrusion has elevated the concentration of chloride and other salts in groundwater up to three miles inland from the coastline, and in some areas contaminating the groundwater to the point that it is unsuitable for use without treatment.

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

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

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

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

PV Water developed its first Basin Management Plan (BMP) in the early 1990s. The plan provided a roadmap to stop groundwater overdraft and halt seawater intrusion. PV Water has updated the BMP several times. In April 2014 the Board adopted Resolution 2014-05 adopting the 2014 BMP Update. The Ad Hoc BMP Committee, which met between 2010 and 2014, evaluated 44 potential projects to achieve sustainable groundwater resources, and provided a recommendation of approval to the Board. Implementation of the projects and programs identified in the 2014 BMP Update formally commenced on July 1, 2015, when new Proposition 218 compliant rates supporting the 2014 BMP Update implementation went into effect. In January 2017, the Board approved an agreement for Basin Management Plan Implementation – Program Management Services. The agreement funded a team of engineers, environmental scientists, and other experts, to advance work on the supplemental water facilities described in the capital projects section of the narrative. This work led to the preparation and certification of the College Lake Integrated Resources Management Project Final Environmental Impact Report (EIR), and project approval in October 2019. It also led to the certification of the Watsonville Slough System Managed Aquifer Recharge & Recovery Project Final EIR and project approval in January 2021.

During 2020 and 2021, the Ad Hoc Sustainable Groundwater Planning Advisory Committee provided input and guidance to staff on the BMP: Groundwater Sustainability Update 2022, which the Board adopted in November 2021 via Resolution 2021-17, "Adopting the Basin Management Plan: Groundwater Sustainability Update 2022 and Authorizing the General Manager or Designee to Submit the Basin Management Plan: Groundwater Sustainability Update 2022 to the California Department of Water Resources". PV Water staff submitted GSU22 to DWR to satisfy the SGMA requirement of providing a periodic update of the state of the Basin and implementation of projects and management actions.

The Fiscal Year 2024-2025 (FY24-25) budget allocates funding for PV Water to continue implementation of Board approved projects and management actions in order to fulfill its mission to achieve sustainable groundwater resources for the Pajaro Valley. The budget serves as a projection of PV Water finances.

Budget Organization

The budget is organized by the following service expense groups:

- General Fund Agency Administration
- Special Fund General Administration
- Facility Operations
- Basin Management
- Capital Projects
- Debt Service Funds

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

Revenues and Sources of Funds

PV Water is funded through:

- Management Fees collected on tax rolls
- Augmentation Charges collected on groundwater pumped from the Basin
- Delivered Water Charges for supplemental water delivered in the coastal zone through the Coastal Distribution System (CDS)
- Grants and Loans
- Interest and Other Revenues

Management Fees are collected on county tax rolls with residential parcel fees of $18 per year and commercial parcel fees of $20 per year. Management Fee revenues are placed in the General Fund category. This budget includes projected revenues of $370,000 in Management Fees.

PV Water levies a groundwater augmentation charge "on the extraction of groundwater from wells within the Agency's boundaries in order to pay the costs of purchasing, capturing, storing, and distributing supplement water and paying for activities required to prepare and implement the Agencies groundwater management program."[1] The rates for FY24-25 are provided in Table 1, below. Augmentation charge revenue is placed in the Special Revenue Fund category. This budget includes projected revenues of $12.2 million in augmentation charges.

PV Water administers a delivered water charge to customers who purchase supplemental water supplies. Supplemental water is comprised of recycled water from the Watsonville Area Recycled Water Facility, Harkins Slough Managed Aquifer Recharge & Recovery Facility, blend water wells operated by the Agency, and the City of

[1] Ordinance 2021-02, An Ordinance of the Pajaro Valley Water Management Agency Adjusting Groundwater Augmentation Charges

Watsonville's potable supply. The delivered water charge rate is shown in Table 1 and is $454 per acre-foot through November 30, 2024, and $477 per acre-foot effective December 1, 2024[2]. Revenue generated from the sale of delivered water is placed in the Special Revenue Fund category. The budget includes projected revenues of $1.9 million in delivered water charges.

Table 1. Water Rates for Fiscal Year 2024-25

User Class	Cost of Service Rate Effective Dec. 1, 2023 (Per Acre-Foot)	Cost of Service Rate Effective Dec. 1, 2024 (Per Acre-Foot)
Augmentation Charges:		
Metered Users - Outside Delivered Water Zone	$302	$323
Metered Users - Inside Delivered Water Zone	$420	$452
Unmetered Users (Rural Residential)*	$142	$152
Delivered Water Charge	$454	$477

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

PV Water actively seeks grants and low interest financing opportunities to support the planning and implementation of water supply projects and management actions. Grants and other financial agreements (such as the Clean Water State Revolving Fund, or SRF) that PV Water is able to secure reimburse eligible expenses incurred during the planning and implementation of those funded projects and programs. Reimbursements are placed in the fund category from which they were originally spent. The budget includes projected grant reimbursement revenues of $4.5 million. The grants that will provide this revenue include the following:

- Department of Conservation (DoC) "Multibenefit Land Repurposing Grant": Awarded in September 2023 for $8.89 million in funding that PV Water was awarded approximately $3.5 million with the remainder being awarded to its partners, the Resource Conservation District of Santa Cruz County, the University of California, Santa Cruz, the Santa Cruz County Land Trust, the Pajaro River Flood Management Agency, Watsonville Wetlands Watch, and the Nature Conservancy. Staff anticipate receiving approximately $2.1 million in FY24-25.
- DWR "Proposition 1, Round 2, Integrated Regional Water Management (IRWM) Implementation Grant": Awarded to San Benito County Water District in February 2024, PV Water will receive $1.8 million from this grant in total and anticipates receiving $1.6 million in FY24-25.
- DWR "2021 Sustainable Groundwater Management (SGM) Grant Program Implementation Grant": Awarded in June 2022 for $7.6 million to fund College Lake Integrated Resources Management Project pre-construction activities. PV Water has received $7.06 million to date and staff anticipate receiving approximately $500 thousand in FY24-25.
- DWR "Watershed Resilience Pilot Program" Grant: Anticipated to be awarded in May 2024, provides $2 million for watershed resilience activities. Staff anticipate receiving approximately $300 thousand in FY24-25.

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[2] Ordinance 2021-01, An Ordinance of the Pajaro Valley Water Management Agency Adjusting Delivered Water Charges

Table 2a. Summary by Service

Summary by Service July 1, 2024 to June 30, 2025						
	General Fund Fund 10	Special Revenue Fund Fund 20			Capital Projects Fund 30	Debt Service Fund 40
Revenues and Sources of Funds						
Management Fees	370,000					
Delivered Water		1,900,000				
Augmentation Charges		12,200,000				
Grant Revenue		4,500,000				
Debt Financing Proceeds					33,109,270	
Interest Income	150,000	450,000				
Other Revenue	71,781	15,000				
Total Revenue	**$ 591,781**	**$ 19,065,000**	**$ -**	**$ -**	**$ 33,109,270**	**$ -**
	Agency Administration	**General Administration**	**Facility Operations**	**Basin Management**	**Capital Projects**	**Debt Service**
Expenditures						
Wages & Benefits	40,201	1,082,701	1,213,557	294,305	381,754	-
Conferences/Training	14,000	6,000	4,500	2,000	-	-
Travel (Mileage/Meals/Lodging)	22,000	9,700	2,000	7,500	-	-
Bank Charges/Bond Fees	50	20,000	25,000	-	-	-
Insurance	18,000	1,000	85,500	-	-	-
Taxes/Fees	250	26,000	29,000	-	65,000	-
Legal Notices & Ads	750	2,500	-	3,500	54,000	-
Dues & Subscription	37,000	5,500	3,500	-	-	-
Office Expense/Supplies	5,000	12,000	12,500	-	-	-
Postage	1,000	4,000	5,500	1,000	10,000	-
Printing	4,000	32,000	2,250	1,500	13,000	-
Utilities	8,000	21,200	602,000	-	-	-
Telephone/Data	4,000	12,000	56,000	-	-	-
Office Equipment Leases	1,000	7,500	7,000	-	-	-
Well Leases	-	-	200,000	-	-	-
Field Supplies/Equipment	-	7,000	145,000	26,000	26,000	-
Elections	60,000	-	-	-	-	-
Legal Services	65,000	77,000	25,000	40,000	300,000	-
Professional Services	86,000	685,000	408,000	2,075,000	7,900,000	-
Meter Contractor	-	-	25,000	-	-	-
LAFCO District Fees	18,000	-	-	-	-	-
Collection Fee/Bad Debt	6,000	7,000	-	-	-	-
Special Projects Outreach	35,000	-	-	-	-	-
Facilities Maintenance	100,000	10,000	13,000	-	-	-
Land Acquisition	-	-	-	-	4,525,000	-
Information Technology	12,000	52,000	120,000	40,000	-	-
Licensed Contractors	-	-	525,000	15,000	27,100,000	-
Vehicle Maintenance	-	2,500	35,500	3,000	-	-
Vehicle Purchase	-	-	40,000	5,000	-	-
Meters	-	-	50,000	-	-	-
COW Reimb O&M	-	-	3,000,000	-	-	-
Rebates	-	100,000	80,000	-	-	-
City Connection Water Charges	-	-	650,000	-	-	-
Uniforms	-	5,000	-	-	-	-
Water Sampling	-	-	40,000	55,000	-	-
Bond Administration Fee	-	12,000	-	-	-	-
Debt Service	-	-	-	-	-	4,018,059
Total Expenditures	**$ 537,251**	**$ 2,199,601**	**$ 7,404,807**	**$ 2,568,805**	**$ 40,374,754**	**$ 4,018,059**
Total Revenue						
Excess of Revenues or (Deficit)						

Note: Totals may not tie due to rounding

Table 2b. Summary by Service (cont.)

Summary by Service
July 1, 2024 to June 30, 2025

	FY24-25 Proposed Budget	FY23-24 Adopted Budget	$ Diff	% Diff
Revenues and Sources of Funds				
Management Fees	370,000	370,000	-	0.0%
Delivered Water	1,900,000	1,800,000	100,000	5.6%
Augmentation Charges	12,200,000	11,715,000	485,000	4.1%
Grant Revenue	4,500,000	5,000,000	(500,000)	-10.0%
Debt Financing Proceeds	33,109,270	45,000,000	(11,890,730)	N/A
Interest Income	600,000	375,000	225,000	60.0%
Other Revenue	86,781	140,000	(53,219)	-38.0%
Total Revenue	**$ 52,766,051**	**$ 64,400,000**	**$ (11,633,949)**	**-18.1%**

	FY24-25 Proposed Budget	FY23-24 Adopted Budget	$ Diff	% Diff
Expenditures				
Wages & Benefits	3,012,518	2,811,420	201,098	7.2%
Conferences/Training	26,500	22,000	4,500	20.5%
Travel (Mileage/Meals/Lodging)	41,200	37,500	3,700	9.9%
Bank Charges/Bond Fees	45,050	40,050	5,000	12.5%
Insurance	104,500	67,000	37,500	56.0%
Taxes/Fees	120,250	118,250	2,000	1.7%
Legal Notices & Ads	60,750	135,500	(74,750)	-55.2%
Dues & Subscription	46,000	42,500	3,500	8.2%
Office Expense/Supplies	29,500	19,500	10,000	51.3%
Postage	21,500	11,000	10,500	95.5%
Printing	52,750	51,250	1,500	2.9%
Utilities	631,200	354,200	277,000	78.2%
Telephone/Data	72,000	50,000	22,000	44.0%
Office Equipment Leases	15,500	15,500	-	0.0%
Well Leases	200,000	200,000	-	0.0%
Field Supplies/Equipment	204,000	107,000	97,000	90.7%
Elections	60,000	10,000	50,000	500.0%
Legal Services	507,000	562,000	(55,000)	N/A
Professional Services	11,154,000	14,908,000	(3,754,000)	-25.2%
Meter Contractor	25,000	30,000	(5,000)	-16.7%
LAFCO District Fees	18,000	18,000	-	0.0%
Collection Fee/Bad Debt	13,000	15,000	(2,000)	0.0%
Special Projects Outreach	35,000	30,000	5,000	16.7%
Facilities Maintenance	123,000	118,000	5,000	4.2%
Land Acquisition	4,525,000	4,075,000	450,000	11.0%
Information Technology	224,000	189,000	35,000	18.5%
Licensed Contractors	27,640,000	62,615,000	(34,975,000)	-55.9%
Vehicle Maintenance	41,000	37,000	4,000	10.8%
Vehicle Purchase	45,000	80,000	(35,000)	-43.8%
Meters	50,000	80,000	(30,000)	-37.5%
COW Reimb O&M	3,000,000	2,750,000	250,000	9.1%
Rebates	180,000	225,000	(45,000)	-20.0%
City Connection Water Charges	650,000	600,000	50,000	N/A
Uniforms	5,000	5,000	-	N/A
Water Sampling	95,000	97,000	(2,000)	N/A
Bond Administration Fee	12,000	10,000	2,000	N/A
Debt Service	4,018,059	3,979,934	38,125	1.0%
Total Expenditures	**$ 57,103,277**	**$ 94,516,604**	**$ (37,413,327)**	**-65.5%**
Total Revenue	**52,766,051**	**64,400,000**	**$ (11,633,949)**	
Excess of Revenues or (Deficit)	**(4,337,226)**	**(30,116,604)**	**$ 25,779,378**	

Note: Totals may not tie due to rounding.

Table 3. Budgeted Salary Expenditures, Overall Allocation

	Position	Total Salary & Benefits		General Fund Fund 10		Special Revenue Fund 20						Capital Projects Fund 30	
				Agency Admin		Admin Grants Conserv Ed & Outreach		Facility Ops		Basin Mngmnt		Capital Projects	
		Includes 10% Allowance for Non-Exempt		Total		Total		Total		Total		Total	
		%	$	%	$	%	$	%	$	%	$	%	$
Agency Administration													
1	General Manager	100%	355,790	2%	7,116	36%	128,084	12%	42,695	19%	67,600	31%	110,295
2	Finance & Administrative Services Manager	100%	247,678	2%	4,954	83%	205,573	0%	-	8%	19,814	7%	17,337
3	Financial Analyst	100%	163,894	2%	3,278	95%	155,699	0%	-	3%	4,917	0%	-
4	Administrative Analyst	100%	188,071	2%	3,761	73%	137,292	0%	-	0%	-	25%	47,018
5	Customer Service Rep	100%	165,790	2%	3,316	98%	162,474	0%	-	0%	-	0%	-
6	Account Clerk	100%	127,874	2%	2,557	98%	125,316	0%	-	0%	-	0%	-
										0%			
Operations										0%			
1	Water Meter Program Coordinator	100%	179,870	0%	-	3%	5,396	97%	174,474	0%	-	0%	-
2	Water System Operations Supervisor	100%	243,915	0%	-	5%	12,196	60%	146,349	0%	-	35%	85,370
3	Water System Operator	100%	225,718	0%	-	4%	9,029	85%	191,860	0%	-	11%	24,829
4	Water System Operator TBD	100%	204,368	0%	-	4%	8,175	85%	173,713	0%	-	11%	22,481
5	Vacant TBD	100%	8,787	2%	176	9%	791	26%	2,285	13%	1,142	50%	4,393
6	Operations-Maintenance Technician	100%	184,789	0%	-	0%	-	100%	184,789	0%	-	0%	-
7	Associate Hydrologist	100%	220,106	0%	-	11%	24,212	16%	35,217	59%	129,862	14%	30,815
8	Water Conservation & Outreach Specialist	100%	149,298	2%	2,986	59%	88,086	6%	8,958	8%	11,944	25%	37,324
9	Water Resources Technician	100%	94,612	0%	-	10%	9,461	36%	34,060	52%	49,198	2%	1,892
10	Field Technician	100%	103,456	0%	-	0%	-	100%	103,456	0%	-	0%	-
11	Maintenance Technician	100%	114,610	0%	-	0%	-	100%	114,610	0%	-	0%	-
12	Intern	100%	21,837	0%	-	50%	10,919	5%	1,092	45%	9,827	0%	-
	Total Staff Salaries/Benefits		3,000,461		28,144		1,082,701		1,213,557		294,305		381,755
	Board Members		12,057		12,057								
	Total Salaries & Benefits		**3,012,518**		**40,200**		**1,082,701**		**1,213,557**		**294,305**		**381,755**

Note: Totals may not tie due to rounding.

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General Fund
Agency Administration Service Expense Group Summary

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

Office Administration
Major functions included in this category are auditing services, accounting services, legal services, strategic planning services, LAFCO fees, and memberships in professional organizations including but not limited to the Association of California Water Agencies (ACWA), the California Special Districts Association (CSDA), the California Public Information Officials (CAPIO), the Groundwater Resources Association (GRA), and WateReuse. Also included within Office Administration is maintenance associated with the Agency office buildings and properties.

Board Support
The Board Support portion of the budget provides funding for the Board of Directors and its Committees including elections, legal services, and agenda packet preparation, publication, and distribution. Funding for Directors to attend conferences and training is also included.

Special Projects Outreach
Special Projects Outreach typically funds targeted water awareness and education campaigns. Examples of prior projects include water conservation and drought awareness advertisements, especially in support of "Water Awareness Month." Staff have also worked with the Ag History Project at the Santa Cruz County Fairgrounds on water conservation displays and other educational materials.

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Table 4. Agency Administration Expenditures

Agency Administration July 1, 2024 to June 30, 2025				
	Office Administration	**Board Support**	**Outreach & Education**	**Total**
Expenditures				
Wages & Benefits	14,614	21,889	3,698	40,201
Conferences/Training	4,000	10,000	-	14,000
Travel (Mileage/Meals/Lodging)	6,000	15,000	1,000	22,000
Bank Charges/Bond Fees	50	-	-	50
Insurance	18,000	-	-	18,000
Taxes/Fees	250	-	-	250
Legal Notices & Ads	750	-	-	750
Dues & Subscription	34,000	-	3,000	37,000
Office Expense/Supplies	5,000	-	-	5,000
Postage	1,000	-	-	1,000
Printing	4,000	-	-	4,000
Utilities	8,000	-	-	8,000
Telephone/Data	4,000	-	-	4,000
Office Equipment Leases	1,000	-	-	1,000
Well Leases	-	-	-	-
Field Supplies/Equipment	-	-	-	-
Elections	-	60,000	-	60,000
Legal Services	50,000	15,000	-	65,000
Professional Services	80,000	-	6,000	86,000
Meter Contractor	-	-	-	-
LAFCO District Fees	18,000	-	-	18,000
Collection Fee/Bad Debt	6,000	-	-	6,000
Special Projects Outreach	-	-	35,000	35,000
Facilities Maintenance	100,000	-	-	100,000
Land Acquisition	-	-	-	-
Information Technology	12,000	-	-	12,000
Licensed Contractors	-	-	-	-
Vehicle Maintenance	-	-	-	-
Vehicle Purchase	-	-	-	-
Meters	-	-	-	-
COW Reimb O&M	-	-	-	-
Rebates	-	-	-	-
City Connection Water Charges	-	-	-	-
Uniforms	-	-	-	-
Water Sampling	-	-	-	-
Bond Administration Fee	-	-	-	-
DWR Note Payable	-	-	-	-
SWRCB Loan	-	-	-	-
2015 Bond	-	-	-	-
2016 Bond	-	-	-	-
Total Expenditures	**$ 366,664**	**$ 121,889**	**$ 48,698**	**$ 537,251**

Note: Totals may not tie due to rounding.

Table 5. Budgeted Salary Expenditures, Fund 10 Detail

	Position	Total Salary & Benefits	General Fund 10							
			Agency Administration							
		Includes10% Allowance for Non-Exempt	Office Admin		Board Support		Special Projects Outreach		Total	
			%	$	%	$	%	$	%	$
Agency Administration										
1	General Manager	355,790	40%	2,846	50%	3,558	10%	712	100%	7,116
2	Finance & Administrative Services Manager	247,678	70%	3,467	30%	1,486	0%	-	100%	4,954
3	Financial Analyst	163,894	70%	2,295	30%	983	0%	-	100%	3,278
3	Administrative Analyst	188,071	10%	376	90%	3,385	0%	-	100%	3,761
4	Customer Service Rep	165,790	90%	2,984	10%	332	0%	-	100%	3,316
5	Account Clerk	127,874	100%	2,557	0%	-	0%	-	100%	2,557
Operations										
1	Water Meter Program Coordinator	179,870	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	243,915	0%	-	0%	-	0%	-	0%	-
3	Water System Operator	225,718	0%	-	0%	-	0%	-	0%	-
4	Water System Operator TBD	204,368	0%	-	0%	-	0%	-	0%	-
5	Vacant TBD	8,787	50%	88	50%	88	0%	-	100%	176
6	Operations-Maintenance Technician	184,789	0%	-	0%	-	0%	-	0%	-
7	Associate Hydrologist	220,106	0%	-	0%	-	0%	-	0%	-
8	Water Conservation & Outreach Specialist	149,298	0%	-	0%	-	100%	2,986	100%	2,986
9	Water Resources Technician	94,612	0%	-	0%	-	0%	-	0%	-
10	Field Technician	103,456	0%	-	0%	-	0%	-	0%	-
11	Maintenance Technician	114,610	0%	-	0%	-	0%	-	0%	-
12	Intern	21,837	0%	-	0%	-	0%	-	0%	-
	Total Staff Salaries/Benefits	3,000,461		14,614		9,832		3,698		28,144
	Board Members	12,057				12,057				12,057
	Total Salaries & Benefits	**3,012,518**		**14,614**		**21,889**		**3,698**		**40,200**

Note: Totals may not tie due to rounding.

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Special Fund
General Administration Service Expense Group Summary

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

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

Grant & Loan Administration
Functions included in this category are grant and loan contract management and associated intergovernmental relations. The professional services in this category are often grant reimbursable, which represent consultant services for the administration and reimbursement of ongoing grants and loans.

Conservation
The conservation goal in the 2014 BMP Update accounts for 5,000 acre-feet per year (AFY) about a 10% reduction in pumping compared to the baseline 2006-2010 average for groundwater wells and is ~40% of the overall solution to eliminate 12,100 AFY of groundwater extraction. The Agricultural Water Conservation Program provides a high-level of engagement with local partners and stakeholders, to streamline ranch level conservation programs and leverage resources in order to optimize basin-wide progress toward the conservation goals. Partner agencies include the Resource Conservation Districts of Santa Cruz and Monterey Counties, the Natural Resources Conservation Service, and the UC Cooperative Extension. In March 2024, the Board of Directors voted in favor of funding the BMP Agricultural Water Conservation Program for the next three fiscal years (through FY26-27) at a rate of approximately $458,000 per year, which includes $358,000 per year for professional services, and up to $100,000 per year in rebates, trials, and cost-sharing agreements. The Household Water Conservation program includes rebates, a home and garden water conservation tool kit, and water saving device give-a-ways.

Outreach & Education
Outreach, community engagement, and education are among the most important functions of PV Water. Meetings, tours and workshops for stakeholders, community members, and students make up an important component of PV Water's outreach program. Outreach outlets included in this category are annual reports, newsletters, participation in local fairs and events, website updates and maintenance, and development of traditional media and social media content (e.g. Facebook). The FY24-25 budget includes $25,000 for professional services to support outreach activities.

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Table 6. Special Fund General Administration Expenditures

Special Fund General Administration July 1, 2024 to June 30, 2025					
	Office Administration	**Grant Administration**	**Conservation**	**Public Outreach & Education**	**Total**
Expenditures					
Wages & Benefits	856,803	65,750	42,038	118,110	1,082,701
Conferences/Training	4,000	-	1,000	1,000	6,000
Travel (Mileage/Meals/Lodging)	7,500	1,000	-	1,200	9,700
Bank Charges/Bond Fees	20,000	-	-	-	20,000
Insurance	1,000	-	-	-	1,000
Taxes/Fees	26,000	-	-	-	26,000
Legal Notices & Ads	2,500	-	-	-	2,500
Dues & Subscription	5,000	-	-	500	5,500
Office Expense/Supplies	10,000	-	1,000	1,000	12,000
Postage	2,000	1,000	-	1,000	4,000
Printing	21,500	-	500	10,000	32,000
Utilities	21,200	-	-	-	21,200
Telephone/Data	4,000	-	4,000	4,000	12,000
Office Equipment Leases	7,500	-	-	-	7,500
Well Leases	-	-	-	-	-
Field Supplies/Equipment	-	-	5,000	2,000	7,000
Elections	-	-	-	-	-
Legal Services	75,000	2,000	-	-	77,000
Professional Services	60,000	250,000	350,000	25,000	685,000
Meter Contractor	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-
Collection Fee/Bad Debt	7,000	-	-	-	7,000
Special Projects Outreach	-	-	-	-	-
Facilities Maintenance	10,000	-	-	-	10,000
Land Acquisition	-	-	-	-	-
Information Technology	26,000	-	13,000	13,000	52,000
Licensed Contractors	-	-	-	-	-
Vehicle Maintenance	-	-	500	2,000	2,500
Vehicle Purchase	-	-	-	-	-
Meters	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-
Rebates	-	-	100,000	-	100,000
City Connection Water Charges	-	-	-	-	-
Uniforms	5,000	-	-	-	5,000
Water Sampling	-	-	-	-	-
Bond Administration Fee	12,000	-	-	-	12,000
DWR Note Payable	-	-	-	-	-
SWRCB Loan	-	-	-	-	-
2015 Bond	-	-	-	-	-
2016 Bond	-	-	-	-	-
Total Expenditures	**$ 1,184,003**	**$ 319,750**	**$ 517,038**	**$ 178,810**	**$ 2,199,601**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Special Revenue Fund 20									
		Includes 10% Allowance for Non-Exempt	Office Admin		Public Outreach & Education		Grant Admin		Conser-vation		**Total**	
			%	$	%	$	%	$	%	$	%	$
Agency Administration												
1	General Manager	355,790	20%	71,158	10%	35,579	3%	10,674	3%	10,674	36%	128,084
2	Finance & Administrative Services Manager	247,678	76%	188,235	1%	2,477	6%	14,861	0%	-	83%	205,573
3	Financial Analyst	163,894	90%	147,504	0%	-	5%	8,195	0%	-	95%	155,699
4	Administrative Analyst	188,071	66%	124,127	2%	3,761	5%	9,404	0%	-	73%	137,292
5	Customer Service Rep	165,790	98%	162,474	0%	-	0%	-	0%	-	98%	162,474
6	Account Clerk	127,874	98%	125,316	0%	-	0%	-	0%	-	98%	125,316
Operations												
1	Water Meter Program Coordinator	179,870	2%	3,597	0%	-	1%	1,799	0%	-	3%	5,396
2	Water System Operations Supervisor	243,915	4%	9,757	1%	2,439	0%	-	0%	-	5%	12,196
3	Water System Operator	225,718	2%	4,514	1%	2,257	1%	2,257	0%	-	4%	9,029
4	Water System Operator TBD	204,368	2%	4,087	1%	2,044	1%	2,044	0%	-	4%	8,175
5	Vacant TBD	8,787	5%	439	3%	264	1%	88	0%	-	9%	791
6	Operations-Maintenance Technician	184,789	0%	-	0%	-	0%	-	0%	-	0%	-
7	Associate Hydrologist	220,106	3%	6,603	2%	4,402	5%	11,005	1%	2,201	11%	24,212
8	Water Conservation & Outreach Specialist	149,298	1%	1,493	40%	59,719	3%	4,479	15%	22,395	59%	88,086
9	Water Resources Technician	94,612	1%	946	2%	1,892	1%	946	6%	5,677	10%	9,461
10	Field Technician	103,456	0%	-	0%	-	0%	-	0%	-	0%	-
11	Maintenance Technician	114,610	0%	-	0%	-	0%	-	0%	-	0%	-
12	Intern	21,837	30%	6,551	15%	3,276	0%	-	5%	1,092	50%	10,919
	Total Salaries/Benefits	**3,000,461**		**856,803**		**118,110**		**65,750**		**42,038**		**1,082,701**

Note: Totals may not tie due to rounding.

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Facility Operations
Service Expense Group Summary

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

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

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

Supplemental Water (In-Basin)
Supplemental Water Facilities include three Blend Wells and the City of Watsonville's potable supply. Water System Operators blend supplemental water supplies with recycled water to both meet demand and improve water quality. Operational costs include utilities, leases, software, electrical and pump maintenance.

PV Water is also implementing the Recharge Net Metering Program, which has the goal of enhancing groundwater recharge within the Basin by 1,000 AFY through a series of stormwater collection and infiltration basins. PV Water issues rebates to landowners based on the measured volume of water infiltrated as reported by the program's "Third Party Certifiers." The intention of the rebate is to help offset costs incurred for the maintenance of the infiltration systems. Recharge Net Metering Program participants benefit directly through the rebate program; they also benefit indirectly (along with other groundwater users and the basin as a whole) because managed aquifer recharge helps to improve and sustain the quantity and quality of groundwater. PV Water's responsibilities in this program may increase with time to include items such as permitting, environmental compliance, etc.

Watsonville Area Recycled Water Facility (RWF)
The RWF was constructed and is operated and maintained in collaboration with the City of Watsonville (City). The RWF was designed to produce up to 4,000 acre-feet per year of tertiary-treated, Title 22 compliant recycled water for use as an irrigation supply, delivered through the CDS, in lieu of groundwater. Expenses in this category include annual fees, studies, and operations and maintenance (O&M) costs paid to the City for water produced at the RWF and include equipment, chemicals, staff time, etc. This year's budget includes $3 million in O&M costs to the City for an anticipated 3,500 acre-feet (AF) of recycled water production.

College Lake Integrated Resources Management Project (College Lake Project)
This facility includes an intake pump station with fish passage facility, a raw water pipeline to a water treatment plant, and a 6-mile treated water pipeline to the CDS. The College Lake Project, while still under construction as of July 2024, will become operation prior to the close of the fiscal year. Costs to operate and maintain the facility for the first two years will be estimated based on engineer estimates and will be refined with time and experience. The facility is estimated to produce between 1,800 and 2,300 acre-feet per year of water.

Metering Program
The Metering Program consists of maintaining and reading over 1,000 flow meters basin-wide on a quarterly basis. Calibrated flow meters measure groundwater extractions and water deliveries for basin management and billing purposes. PV Water is in the process of upgrading traditional meters to telemetry meters that allow for cloud-based access of data for both staff and customers.

Table 8. Facility Operations Expenditures

July 1, 2024 to June 30, 2025

	Harkins Slough Facility	Coastal Distribution System	Supplemental Water (In-Basin)	Recycled Water Facility	Metering Program	College Lake Facility	Total
Expenditures							
Wages & Benefits	154,046	253,594	95,736	129,014	359,218	221,949	1,213,557
Conferences/Training	-	3,000	-	-	1,500	-	4,500
Travel (Mileage/Meals/Lodging)	-	2,000	-	-	-	-	2,000
Bank Charges	5,000	5,000	5,000	-	5,000	5,000	25,000
Insurance	18,000	18,000	21,500	-	14,000	14,000	85,500
Taxes/Fees	4,000	-	-	25,000	-	-	29,000
Legal Notices & Ads	-	-	-	-	-	-	-
Dues & Subscription	500	1,000	500	-	500	1,000	3,500
Office Expense/Supplies	500	1,000	500	-	500	10,000	12,500
Postage	1,000	1,250	1,000	-	1,750	500	5,500
Printing	500	500	500	-	250	500	2,250
Utilities	100,000	2,000	275,000	-	-	225,000	602,000
Telephone/Data	3,000	3,000	3,000	-	47,000	-	56,000
Office Equipment Leases	2,000	2,000	1,500	-	1,500	-	7,000
Well Leases	-	-	200,000	-	-	-	200,000
Field Supplies/Equipment	10,000	25,000	7,000	-	3,000	100,000	145,000
Elections	-	-	-	-	-	-	-
Legal Services	-	-	25,000	-	-	-	25,000
Professional Services	10,000	95,000	100,000	100,000	3,000	100,000	408,000
Meter Contractor	-	-	-	-	25,000	-	25,000
LAFCO District Fees	-	-	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-	-	-
Facilities Maintenance	2,000	2,000	2,000	-	2,000	5,000	13,000
Land Acquisition	-	-	-	-	-	-	-
Information Technology	25,000	20,000	22,000	-	28,000	25,000	120,000
Licensed Contractors	25,000	150,000	250,000	-	-	100,000	525,000
Vehicle Maintenance	5,000	10,000	5,500	-	10,000	5,000	35,500
Vehicle Purchase	5,000	25,000	5,000	-	5,000	-	40,000
Meters	-	-	-	-	50,000	-	50,000
COW Reimb O&M	-	-	-	3,000,000	-	-	3,000,000
Rebates	-	-	80,000	-	-	-	80,000
City Connection Water Charges	-	650,000	-	-	-	-	650,000
Uniforms	-	-	-	-	-	-	-
Water Sampling	5,000	35,000	-	-	-	-	40,000
Bond Administration Fee	-	-	-	-	-	-	-
DWR Note Payable	-	-	-	-	-	-	-
SWRCB Loan	-	-	-	-	-	-	-
2015 Bond	-	-	-	-	-	-	-
2016 Bond	-	-	-	-	-	-	-
Total Expenditures	**$ 375,546**	**$ 1,304,344**	**$ 1,100,736**	**$ 3,254,014**	**$ 557,218**	**$ 812,949**	**$ 7,404,807**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Special Revenue Fund 20													
			Facility Operations													
		Includes 10% Allowance for Non-Exempt	Harkins Slough		Coastal Distribution System		Supplemental Water (In-Basin)		Recycled Water Facility		Metering Program		College Lake Facility		**Total**	
			%	$	%	$	%	$	%	$	%	$	%	$	%	$
	Agency Administration															
1	General Manager	355,790	1%	3,558	1%	3,558	3%	10,674	2%	7,116	1%	3,558	4%	14,232	12%	42,695
2	Finance & Administrative Services Manager	247,678	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
3	Financial Analyst	163,894	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
4	Administrative Analyst	188,071	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
5	Customer Service Rep	165,790	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	127,874	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
														-	0%	-
	Operations													-	0%	-
1	Water Meter Program Coordinator	179,870	2%	3,597	20%	35,974	0%	-	0%	-	75%	134,902	0%	-	97%	174,474
2	Water System Operations Supervisor	243,915	15%	36,587	15%	36,587	5%	12,196	5%	12,196	5%	12,196	15%	36,587	60%	146,349
3	Water System Operator	225,718	15%	33,858	20%	45,144	10%	22,572	15%	33,858	5%	11,286	20%	45,144	85%	191,860
4	Water System Operator TBD	204,368	15%	30,655	20%	40,874	10%	20,437	15%	30,655	5%	10,218	20%	40,874	85%	173,713
5	Vacant TBD	8,787	3%	264	4%	351	3%	264	3%	264	1%	88	12%	1,054	26%	2,285
6	Operations-Maintenance Technician	184,789	5%	9,239	30%	55,437	0%	-	10%	18,479	35%	64,676	20%	36,958	100%	184,789
7	Associate Hydrologist	220,106	4%	8,804	2%	4,402	2%	4,402	1%	2,201	2%	4,402	5%	11,005	16%	35,217
8	Water Conservation & Outreach Specialist	149,298	0%	-	0%	-	1%	1,493	1%	1,493	3%	4,479	1%	1,493	6%	8,958
9	Water Resources Technician	94,612	6%	5,677	10%	9,461	2%	1,892	1%	946	15%	14,192	2%	1,892	36%	34,060
10	Field Technician	103,456	10%	10,346	10%	10,346	10%	10,346	10%	10,346	45%	46,555	15%	15,518	100%	103,456
11	Maintenance Technician	114,610	10%	11,461	10%	11,461	10%	11,461	10%	11,461	45%	51,574	15%	17,191	100%	114,610
12	Intern	21,837	0%	-	0%	-	0%	-	0%	-	5%	1,092	0%	-	5%	1,092
	Total Salaries & Benefits	**3,000,461**		**154,046**		**253,594**		**95,736**		**129,014**		**359,218**		**221,949**		**1,213,557**

Note: Totals may not tie due to rounding.

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Basin Management
Service Expense Group Summary

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

Basin Modeling
PV Water collaborated with the United States Geological Survey (USGS) to develop the Pajaro Valley Hydrologic Model (PVHM), under the guidance of a Technical Advisory Committee, between 2005 and 2010. The PVHM is the primary tool used to provide water budget information to help inform water resource planning activities, and to simulate water management scenarios, such as climate change or project implementation, in support of basin management planning efforts. The budget provides funding for USGS support to continue updating and improving the PVHM. Ongoing work supports PV Water's SGMA compliance and is an integral component of future planning efforts.

Basin Monitoring
Monitoring hydrologic conditions of the Basin provides critical information to the Agency and the public to evaluate the progress toward achieving sustainable groundwater resources. Staff use data collected through monitoring programs to track and report changing conditions within the Basin that result from the implementation BMP projects and management actions, as well as climate and weather variability. Staff routinely monitor groundwater, surface water, supplemental water supply facilities, soils, land use, and weather. The data collected assists in tracking spatial and temporal changes to water quality, groundwater levels, streamflow, and soil quality. The programs also provide data to satisfy monitoring and reporting requirements of numerous environmental permits and annual reporting including: the Harkins Slough Water-Right Permit, the NPDES General Limited-Threat Discharge Permit, the Master Reclamation Permit, and SGMA annual reporting. Staff oversee the water quality aspects of the supplemental water facilities; maintain field instrumentation; review well permit applications, and document Basin conditions as needed to meet the requirements of over $80 million in water resources construction grants awarded to the Agency.

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

In-Basin Management
The In-Basin Management section of the budget has historically funded the development of the Basin Management Plan (BMP). The Board of Directors certified the BMP Update Environmental Impact Report (Resolution 2014-04) and approved the BMP Update (Resolution 2014-05) in April 2014. In 2016, PV Water developed a BMP Implementation Plan Strategy. In July 2019, DWR approved PV Water's Groundwater Sustainability Plan (GSP) Alternative. Following a year-long process led by the Ad Hoc Sustainable Groundwater Planning Advisory Committee, the Board adopted Resolution 2021-17, "Adopting the Basin Management Plan: Groundwater Sustainability Update 2022 and Authorizing the General Manager or Designee to Submit the Basin Management Plan: Groundwater Sustainability Update 2022 to the California Department of Water Resources". Included in the FY24-25 budget is $750 thousand in funding to develop of a Department of Conservation grant funded Multibenefit Land Repurposing Plan, as well as to conduct data analysis, prepare and present the SGMA annual report, and respond to comments on the GSU22.

Regional Water Management
PV Water, in partnership with San Benito County Water District (SBCWD) and Santa Clara Valley Water District (Valley Water), compose the Regional Water Management Group (RWMG) and lead the Integrated Regional Water Management (IRWM) efforts for the Pajaro River Watershed. The RWMG most recently updated and adopted the IRWM Plan in October 2019. In April 2020, the PV Water Board adopted Resolution 2020-03, adopting the 2019 Pajaro River Watershed Integrated Regional Water Management Plan. DWR approved the plan in April 2020. Work this fiscal year will include coordination meetings with SBCWD and Valley Water, potential pursuit of regional grant funding with the partners, and water resource planning as needed to maintain compliance with updated IRWM requirements. New this fiscal year is funding in the budget for the DWR Watershed Resilience Pilot Grant, which includes $2 million in funding through June 30, 2026. $1 million is included in the FY24-25 budget to support this grant program.

Out-of-Basin Funding
Out-of-Basin Funding efforts include the continued pursuit of state and federal grants and loans. For instance, PV Water acquired approximately 74.2 million in WIFIA loans in February 2024 to provide partial funding for the College Lake and WSS-MARR Projects. Various federal and state programs continue to represent significant funding opportunities. Over the course of the fiscal year, PV Water expects to receive approximately $4.5 million in grant reimbursements as described above. The budget includes funding for grant writing.

In-Basin Funding
In June 2019, the Board approved an agreement to develop an updated Cost of Service Rate Study (Rate Study to evaluate anticipated revenue needs to cover expenditures associated with the continued implementation of the 2014 BMP Update. The Board established an Ad Hoc Funding Committee in November 2019 to receive information developed as part of the Rate Study, evaluate potential options to meet revenue requirements, and make recommendations to the Board of Directors. The Committee voted in favor of recommending the rate structure, as proposed during its January 2021 meeting, to the Board. The Board adopted the Rate Study in February 2021. The Rate Study identifies water user categories and anticipated use amounts for each category. It also identifies costs of service, allocates the costs to the water users, and proposes a rate increase. The Board adopted Ordinances 2021-01 and 2021-02, adjusting the Agency's Delivered Water Charge and Groundwater Augmentation Charge in April 2021, and 2022-01, adjusting effective date to December 1 of each year. Staff anticipate the next rate setting effort will begin via Board action to form a new ad hoc rate setting committee after July 1, 2025.

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Table 10. Basin Management Expenditures

Basin Management July 1, 2024 to June 30, 2025							
	Basin Modeling	**Basin Monitoring**	**In-Basin Management**	**Regional Water Management**	**Out-of-Basin Funding**	**In-Basin Funding**	**Total**
Expenditures							
Wages & Benefits	63,022	115,805	55,116	8,833	44,001	7,528	294,305
Conferences/Training	500	1,500	-	-	-	-	2,000
Travel (Mileage/Meals/Lodging)	1,000	1,500	-	500	4,000	500	7,500
Bank Charges/Bond Fees	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Taxes/Fees	-	-	-	-	-	-	-
Legal Notices & Ads	-	-	500	500	-	2,500	3,500
Dues & Subscription	-	-	-	-	-	-	-
Office Expense/Supplies	-	-	-	-	-	-	-
Postage	-	-	-	-	-	1,000	1,000
Printing	-	-	-	500	-	1,000	1,500
Utilities	-	-	-	-	-	-	-
Telephone/Data	-	-	-	-	-	-	-
Office Equipment Leases	-	-	-	-	-	-	-
Well Leases	-	-	-	-	-	-	-
Field Supplies/Equipment	-	26,000	-	-	-	-	26,000
Elections	-	-	-	-	-	-	-
Legal Services	-	-	15,000	-	-	25,000	40,000
Professional Services	100,000	50,000	750,000	1,000,000	150,000	25,000	2,075,000
Meter Contractor	-	-	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-	-	-
Land Acquisition	-	-	-	-	-	-	-
Information Technology	16,000	24,000	-	-	-	-	40,000
Licensed Contractors	-	15,000	-	-	-	-	15,000
Vehicle Maintenance	-	3,000	-	-	-	-	3,000
Vehicle Purchase	-	5,000	-	-	-	-	5,000
Meters	-	-	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-	-	-
Rebates	-	-	-	-	-	-	-
City Connection Water Charges	-	-	-	-	-	-	-
Uniforms	-	-	-	-	-	-	-
Water Sampling	-	55,000	-	-	-	-	55,000
Bond Administration Fee	-	-	-	-	-	-	-
DWR Note Payable	-	-	-	-	-	-	-
SWRCB Loan	-	-	-	-	-	-	-
2015 Bond	-	-	-	-	-	-	-
2016 Bond	-	-	-	-	-	-	-
Total Expenditures	**$ 180,522**	**$ 296,805**	**$ 820,616**	**$ 1,010,333**	**$ 198,001**	**$ 62,528**	**$ 2,568,805**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Special Revenue Fund 20													
			Basin Management													
		Includes 10% Allowance for Non-Exempt	Basin Modeling		Basin Monitoring		In-Basin Management Plan		Regional Water Management Plan		Out Of Basin Funding		In-Basin Funding (Rate Setting)		**Total**	
			%	$	%	$	%	$	%	$	%	$	%	$	%	$
Agency Administration																
1	General Manager	355,790	3%	10,674	3%	10,674	6%	21,347	1%	3,558	5%	17,790	1%	3,558	19%	67,600
2	Finance & Administrative Services Manager	247,678	0%	-	0%	-	0%	-	0%	-	7%	17,337	1%	2,477	8%	19,814
3	Financial Analyst	163,894	0%	-	0%	-	0%	-	0%	-	3%	4,917	0%	-	3%	4,917
4	Administrative Analyst	188,071	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
5	Customer Service Rep	165,790	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	127,874	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Operations																
1	Water Meter Program Coordinator	179,870	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	243,915	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
3	Water System Operator	225,718	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
4	Water System Operator TBD	204,368	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
5	Vacant TBD	8,787	2%	176	2%	176	5%	439	1%	88	3%	264	0%	-	13%	1,142
6	Operations-Maintenance Technician	184,789	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
7	Associate Hydrologist	220,106	20%	44,021	25%	55,026	12%	26,413	1%	2,201	1%	2,201	0%	-	59%	129,862
8	Water Conservation & Outreach Specialist	149,298	0%	-	2%	2,986	2%	2,986	2%	2,986	1%	1,493	1%	1,493	8%	11,944
9	Water Resources Technician	94,612	4%	3,784	45%	42,576	3%	2,838	0%	-	0%	-	0%	-	52%	49,198
10	Field Technician	103,456	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
11	Maintenance Technician	114,610	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
12	Intern	21,837	20%	4,367	20%	4,367	5%	1,092	0%	-	0%	-	0%	-	45%	9,827
	Total Salaries & Benefits	**3,000,461**		**63,022**		**115,805**		**55,116**		**8,833**		**44,001**		**7,528**		**294,305**

Note: Totals may not tie due to rounding.

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Capital Projects
Service Expense Group Summary

Following years of community engagement and work, the Board of Directors certified the 2014 BMP Update Environmental Impact Report (Resolution 2014-04), approved the 2014 Basin Management Plan Update (Resolution 2014-05) in 2014 and then adopted Ordinances 2015-01, 2015-02, 2021-01, and 2021-02 adjusting PV Water's rate structures to advance the implementation of the 2014 BMP Update. The projects and management actions described in the 2014 BMP Update are projected to achieve sustainable groundwater resources within the Basin by eliminating groundwater overdraft and reducing the rate seawater intrusion. Work to implement the capital projects is summarized below.

College Lake Integrated Resources Management Project
In October 2019, the Board adopted Resolution 2019-18, Certifying the Final Environmental Impact Report, Adopting Findings Pursuant to the California Environmental Quality Act, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program for the College Lake Integrated Resources Management Project and Resolution 2019-19, Selecting, Approving, and Adopting the College Lake Integrated Resources Management Project. In August 2020, the Board approved agreements for design and bid period services, and in October 2020, the Board approved agreements for environmental & permitting support, property rights, and fish passage design services. In December 2021, the State Water Resources Control Board approved the water-right permit A032881 for the Project, providing PV Water the ability to appropriate up to 3,000 AF of water from Salsipuedes Creek per year. In January 2022, following a year-long, community-based Ad Hoc Adaptive Management Plan Committee effort, the Board adopted Resolution 2022-03, Adopting the College Lake Integrated Resources Management Project Adaptive Management Plan 2022, Fulfilling Environmental Impact Report Mitigation Measures, and Directing the General Manager, or Designee, to Implement the Adaptive Management Plan (AMP). In February 2023, the Board adopted Resolution 2023-02, Awarding Contract to Mountain Cascade Inc. for Construction of the College Lake Water Treatment Plant & Intake Facilities Project, Project No. 30-39-501, and the College Lake Pipeline Project, Project No. 30-39-502. The FY24-25 budget includes the funding anticipated to be necessary to complete the construction of the project.

Watsonville Slough System Managed Aquifer Recharge & Recovery Projects
In January 2021, the Board adopted Resolution 2021-03, Certifying the Final Environmental Impact Report, Adopting Findings Pursuant to the California Environmental Quality Act, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program for the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. The Board also adopted Resolution 2021-04 Selecting, Approving, and Adopting the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. The budget includes funding to continue with implementation of the project, including design, permitting, and legal support, in addition to funding for the procurement of property rights.

Basin Monitoring Network Improvements Project
The purpose of this project is to help PV Water better quantify progress toward achieving sustainable groundwater resources through the installation of additional groundwater monitoring wells within the Basin. Staff have initiated the application process with DWR for *Technical Support Services* in support of the installation of new monitoring wells to fill data gaps (as described in GSU22) and to improve the PV Water's ability to monitor the effectiveness of projects and management actions. The Cost of Service Rate Study, approved by the Board in 2021, anticipated a $1.5 million expenditure to construct new monitoring wells.

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Table 12. Capital Projects Expenditures

Capital Projects July 1, 2024 to June 30, 2025					
	Basin Monitoring Improvements	**Harkins Slough Facility Upgrades**	**College Lake Integrated Resources Management Project**	**Struve Slough Diversion with Recharge Basins**	**Total**
Expenditures					
Wages & Benefits	16,399	117,807	129,741	117,807	381,754
Conferences/Training	-	-	-	-	-
Travel (Mileage/Meals/Lodging)	-	-	-	-	-
Bank Charges/Bond Fees	-	-	-	-	-
Insurance	-	-	-	-	-
Taxes/Fees	-	-	40,000	25,000	65,000
Legal Notices & Ads	-	1,000	50,000	3,000	54,000
Dues & Subscription	-	-	-	-	-
Office Expense/Supplies	-	-	-	-	-
Postage	-	-	10,000	-	10,000
Printing	-	1,000	10,000	2,000	13,000
Utilities	-	-	-	-	-
Telephone/Data	-	-	-	-	-
Office Equipment Leases	-	-	-	-	-
Well Leases	-	-	-	-	-
Field Supplies/Equipment	25,000	1,000	-	-	26,000
Elections	-	-	-	-	-
Uniforms	-	-	-	-	-
Legal Services	-	100,000	100,000	100,000	300,000
Professional Services	100,000	900,000	6,000,000	900,000	7,900,000
Meter Contractor	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-
Land Acquisition	75,000	3,750,000	50,000	650,000	4,525,000
Information Technology	-	-	-	-	-
Licensed Contractors	2,000,000	100,000	25,000,000	-	27,100,000
Vehicle Maintenance	-	-	-	-	-
Vehicle Purchase	-	-	-	-	-
Meters	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-
Rebates	-	-	-	-	-
City Connection Water Charges	-	-	-	-	-
Uniforms	-	-	-	-	-
Water Sampling	-	-	-	-	-
Bond Administration Fee	-	-	-	-	-
DWR Note Payable	-	-	-	-	-
SWRCB Loan	-	-	-	-	-
2015 Bond	-	-	-	-	-
2016 Bond	-	-	-	-	-
Total Expenditures	**$ 2,216,399**	**$ 4,970,807**	**$ 31,389,741**	**$ 1,797,807**	**$ 40,374,754**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Capital Projects Fund 30									
		Includes 10% Allowance for Non-Exempt	Basin Monitoring Improvements		Harkins Slough Facility Upgrades		College Lake Intergrated Resources Management Project		Struve Slough Diversion & Recharge Basins		**Total**	
			%	$	%	$	%	$	%	$	%	$
	Agency Administration											
1	General Manager	355,790	1%	3,558	10%	35,579	10%	35,579	10%	35,579	31%	110,295
2	Finance & Administrative Services Manager	247,678	1%	2,477	2%	4,954	2%	4,954	2%	4,954	7%	17,337
3	Financial Analyst	163,894	0%	0	0%	-	0%	-	0%	-	0%	-
4	Administrative Analyst	188,071	2%	3,761	10%	18,807	3%	5,642	10%	18,807	25%	47,018
5	Customer Service Rep	165,790	0%	0	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	127,874	0%	0	0%	-	0%	-	0%	-	0%	-
											0%	
	Operations										0%	
1	Water Meter Program Coordinator	179,870	0%	-	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	243,915	0%	-	10%	24,391	15%	36,587	10%	24,391	35%	85,370
3	Water System Operator	225,718	0%	-	3%	6,772	5%	11,286	3%	6,772	11%	24,829
4	Water System Operator TBD	204,368	0%	-	3%	6,131	5%	10,218	3%	6,131	11%	22,481
5	Vacant TBD	8,787	0%	-	20%	1,757	10%	879	20%	1,757	50%	4,393
6	Operations-Maintenance Technician	184,789	0%	-	0%	-	0%	-	0%	-	0%	-
7	Associate Hydrologist	220,106	3%	6,603	5%	11,005	1%	2,201	5%	11,005	14%	30,815
8	Water Conservation & Outreach Specialist	149,298	0%	-	5%	7,465	15%	22,395	5%	7,465	25%	37,324
9	Water Resources Technician	94,612	0%	-	1%	946	0%	-	1%	946	2%	1,892
10	Field Technician	103,456	0%	-	0%	-	0%	-	0%	-	0%	-
11	Maintenance Technician	114,610	0%	-	0%	-	0%	-	0%	-	0%	-
12	Intern	21,837	0%	-	0%	-	0%	-	0%	-	0%	-
	Total Salaries & Benefits	**3,000,461**		**16,399**		**117,807**		**129,741**		**117,807**		**381,755**

Note: Totals may not tie due to rounding.

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Debt Service Payments
Service Expense Group Summary

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

Note Payable – Department of Water Resources (DWR)
The Agency entered into a promissory note on June 15, 2005, with the DWR in the amount of $3,511,446. The loan proceeds were used for the construction of projects identified in the Revised BMP (2002). Principal and interest for FY24-25 amounts to $251,416, with interest at 2.4%. The final payment on this note is due September 30, 2027.

Bond Payable – 2015 Water Revenue Refunding Bonds
The Agency issued Water Revenue Refunding Bonds in the amount of $19,970,000 in 2015 primarily to refinance 1999 Certificate of Participation and two State Water Resources Control Board loans used to construct Harkins Slough Managed Aquifer Recharge and Recovery Facilities, the Coastal Distribution System, and Blend Wells. Principal and interest for FY24-25 amounts to $1,138,350, with interest ranging from 3% to 5%. The final payment on this bond is due March 1, 2029.

Bond Payable – 2016 Water Revenue Refunding Bonds
The Agency issued Water Revenue Refunding Bonds in the amount of $11,435,000 in 2016 to refinance the City of Watsonville's 2007 Water Revenue Bonds for costs associated with the design and construction of the Recycled Water Facility. Principal and interest for FY24-25 amount to $805,713, with interest ranging from 3% to 5%. The final payment on this bond is due March 1, 2036.

Clean Water State Revolving Fund (SRF) – State Water Resources Control Board (SWRCB)
The Agency was awarded grant and loan funding from the California State Water Resources Control Board's Clean Water SRF "Water Recycling Construction Financing" program in February 2016. The loan amount is $1,978,522 at an interest rate of 1% for 30-years. The projects funded by this agreement are the Recycled Water Storage and Distribution Pump Station Improvements Project, and the Recycled Water Facility Disk Filter Upgrade Project. Principal and interest for FY24-25 amount to $76,206. The final payment on this loan is due July 1, 2050.

2023 Water Revenue Certificates of Participation
The Agency issued a debt obligation in the form of Certificates of Participation to raise $40,390,000 million for the College Lake Project in June 2023 with interest ranging from 4% to 5%. Interest for FY24-25 amounts to $1,746,375. The final payment on this bond is due March 1, 2053.

Water Infrastructure Finance and Innovation Act (WIFIA) program – United States Environmental Protection Agency (EPA)
The Agency issued a debt obligation with the EPA in the form of two WIFIA loans in February 2024 for approximately $74.2 million.

- The 2024 Water Revenue Certificate of Participation, Series A loan partially funds the College Lake Project and is for $43,109,270 at an interest rate of 4.47%. The first payments for this loan are due during FY26-27, when $1,052,559.37 is due by September 1, 2026, and March 1, 2027. The final maturity of the Series A loan is March 1, 2060.

- The 2024 Water Revenue Certificate of Participation, Series B loan partially funds the Watsonville Slough System Managed Aquifer Recharge and Recovery Project and is for $31,099,063 at an interest rate of 4.46%. The first payment for this loan is due during FY28-29, when $946,636.45 is due by March 1, 2029. The final maturity of the Series B loan is March 1, 2063.

Table 14. Debt Service Summary

Debt Service July 1, 2024 to June 30, 2025	
Expenditures	
DWR Note Payable Principal	232,698
DWR Note Interest	18,718
SWRCB Loan Principal	58,835
SWRCB Loan Interest	17,371
2015 Bond Payment Principal	945,000
2015 Bond Payment Interest	193,350
2016 Bond Payment Principal	515,000
2016 Bond Payment Interest	290,713
2023 COPs (Interest only)	1,746,375
WIFIA Series A (College Lake)	
WIFIA Series B (WS-MARR)	-
Total Expenditures	**$ 4,018,059**

Note: Totals may not tie due to rounding.

Table 15. Bond Covenant Summary

BOND COVENANT TEST		
	Bond Principal	$ 1,751,533
	Bond Interest	2,266,527
	Annual Payment	4,018,059
	@ 110%	4,419,865
Water Service (Gross) Revenue		15,156,781
Water Service O&M (Costs)		10,410,464
	Net Revenue	4,746,318
Over Debt Covenant		**$ 326,453**

Note: Totals may not tie due to rounding.

The Bond Covenant Test shows this budget satisfies the requirements of the bond debt covenant agreements in excess of $326,453.