PAJARO VALLEY WATER MANAGEMENT AGENCY

36 BRENNAN STREET • WATSONVILLE, CA. 95076
TEL: 831) 722-9292 FAX: 831) 722-3139
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ADMINISTRATION & FINANCE COMMITTEE MEETING
PV Water, 36 Brennan Street, Watsonville
Tuesday, July 7, 2026, 3:00 p.m.

MEETING AGENDA

1. **Call to Order and Roll Call:**
   Committee members: Bob Culbertson (Chair), Nolberto Hernandez (Vice Chair), Stephen Rider

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 June 9, 2026, 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 Amending the Cash Reserve Policy for the Fiscal Year Ending June 30, 2027**
   i. Introduction by staff
   ii. Questions from Committee
   iii. Public comment
   iv. Committee discussion and deliberation
   v. Committee action

6. **Conduct Annual Review of the Statement of Investment Policy**
   i. Introduction by staff
   ii. Questions from Committee
   iii. Public comment
   iv. Committee discussion and deliberation
   v. Committee action

7. **Consider Scope of Work with Montgomery & Associates for Sustainable Groundwater Management Act Planning & Implementation Technical Support Services in an Amount not to Exceed $341,897 through June 30, 2028**
   i. Introduction by staff

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.

ii. Questions from Committee
iii. Public comment
iv. Committee discussion and deliberation
v. Committee action

8. Consider Third Amendment to Agreement with Tanner Pacific, Inc., for College Lake Integrated Resources Management Project Construction Management & Inspection Services in an Amount Not to Exceed $390,512 through June 30, 2027

i. Introduction by staff
ii. Questions from Committee
iii. Public comment
iv. Committee discussion and deliberation
v. Committee action

9. Consider Amendment to Agreement with Telstar for Radio Communications Evaluation & Replacement Services in an Amount Not to Exceed $33,793 through September 30, 2026

i. Introduction by staff
ii. Questions from Committee
iii. Public comment
iv. Committee discussion and deliberation
v. Committee action

10. Consider Purchase of a Forklift in an Amount Not to Exceed $45,000

i. Introduction by staff
ii. Questions from Committee
iii. Public comment
iv. Committee discussion and deliberation
v. Committee action

11. Consider Finance & Administrative Services Manager Recruitment Process

i. Introduction by staff
ii. Questions from Committee
iii. Public comment
iv. Committee discussion and deliberation
v. Committee action

12. 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

13. Consider Accepting Cash Flow Reports

a. A/R Aging Update
b. A/P Check Report
    i. Introduction by staff
    ii. Questions from Committee

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

14. Discuss future agenda items and next meeting date – Tuesday, August 11, 2026, 3:00 p.m.

Adjournment

Remote Access for Meeting

Join the Administration & Finance Committee meeting from a 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, June 9, 2026, 3:00 p.m. PV Water, 36 Brennan Street, Watsonville

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

1. **Roll Call of Committee Members**:
   Committee Members Present: Bob Culbertson (Chair), Stephen Rider
   Committee Members Absent: Nolberto Hernandez (Vice Chair)
   Staff Present: Brian Lockwood, General Manager (GM), Nancy Trevino (FASM), Priscilla Sanchez (FA), Corin Hammond (EA/BS)
   Other Attendees: Robert Rodoni, Public

2. **Director Comments:** None

3. **Public Comments:** None

4. **Consider Approval of May 12, 2026, Administration & Finance Committee Meeting Minutes:**

   Action: Director Rider moved to approve the May 12, 2026, meeting minutes; seconded by Director Culbertson.

   The motion carried following vote:

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

5. **Consider Proposed Final Budget for Fiscal Year Ending June 30, 2027:**
   GM Lockwood summarized the proposed Final Budget for Fiscal Year Ending June 30, 2027 (pgs. 6-9 of 36, Agenda Packet). Roundtable discussion ensued.

   Action: Director Rider moved to recommend the Board approve the Proposed Final Budget for Fiscal Year Ending June 30, 2027; seconded by Director Culberston.

   The motion carried following vote:

   Ayes: **Culbertson, Rider**

Noes: **None**
Abstain: **None**
Absent: **Hernandez**

6. **Consider Proposed Budget Amendment for Fiscal Year Ending June 30, 2026:**
FASM Trevino summarized the proposed Budget Amendments for Fiscal Year Ending June 30, 2026 (pgs. 10-13 of 36, Agenda Packet). Roundtable discussion ensued.

Action: Director Rider moved to recommend the Board approve the Proposed Budget Amendment for Fiscal Year Ending June 30, 2026; seconded by Director Culbertson.

The motion carried following vote:

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

7. **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):**
GM Lockwood explained this is a routine annual item where formal correspondence with the counties occurs for PV Water to levy property taxes within its jurisdictional boundaries (pgs. 14-18 of 36, Agenda Packet).

Action: Director Rider moved to recommend the Board approve the Resolutions Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges; seconded by Director Culbertson.

The motion carried following vote:

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

8. **Consider Agreements with Univar Solutions USA, LLC, and Chemtrade Chemicals US LLS, for Purchase of Sodium Hypochlorite for $228,000 and Aluminum Sulfate for $47,000:**
GM Lockwood explained how the College Lake Project treats raw water prior to distribution to customers. He also reported that PV Water joined the Bay Area Chemical Consortium (BACC), a cooperative purchasing group coordinated by Bay Area Clean Water Agencies (BACWA) that conducts annual competitive bids for water and wastewater treatment chemicals on behalf of its member agencies throughout the Bay Area (pgs. 19-26 of 36, Agenda Packet). Roundtable discussion ensued.

Action: Director Rider moved to approve the Agreements with Univar Solutions USA, LLC, and Chemtrade Chemicals US LLS, for Purchase of Sodium Hypochlorite for $228,000 and Aluminum Sulfate for $47,000 and recommend the Board approve them; seconded by Director Culbertson.

The motion carried following vote:

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

9. **Consider Accepting Financial Reports:**
FASM Trevino reported PV Water's cash position as of April 30, 2026, with a Total Month End Fund balance of $30,063,206 (pgs. 27-28 of 36, Agenda Packet).

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

The motion carried following vote:

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

10. **Consider Accepting Cash Flow Reports:**
FASM Trevino presented the Cash Flow Reports (pgs. 29-36 of 36, Agenda Packet) and noted the outstanding Accounts Receivable balance as of May 31, 2026, was $795,935. Internal collection efforts continue to secure payment from delinquent customers. FASM Trevino also reported on check and ACH payments issued in May.

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

The motion carried following vote:

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

11. **Discuss Future Agenda Items and Next Meeting Date:** GM Lockwood suggested future items to include: the Investment, Cash Reserve and Records Retention Policies. The next regular meeting date is Tuesday, July 7, 2026.

Adjournment: 3:37 p.m.

MEMORANDUM

DATE:	July 3, 2026
MEETING OF:	July 7, 2026
TO:	Administration & Finance Committee
FROM:	General Manager
RE:	**ITEM 5:** Consider Amending the Cash Reserve Policy for the Fiscal Year Ending June 30, 2027

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's primary functions such as operations, basin management and monitoring, and administration. The most recent update to the Cash Reserve Policy occurred in June 2025 when the Board adopted *Resolution 2025-06, Amending the Cash Reserve Policy for the Fiscal Year Ending June 30, 2026.*

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.

For the Fiscal Year Ending (FYE) June 30, 2027, staff is proposing a $100,000 increase to the Rate Stabilization Reserve, which would increase the balance to $1,300,000, per the goal of increasing the Rate Stabilization Reserve to a total of $1,500,000 by FYE June 30, 2029, as decided by the Committee in December 2023. Also this year, staff propose a reduction to the Debt Service Reserve, due to the fact that the COP2023 Bond and WIFIA loan for College Lake, each have its own surety bond, which acts as an independent reserve. Finally, staff propose to increase the Operations & Maintenance Reserve by $300,000 due to the College Lake Facility. The staff proposal includes a total Cash Reserve with a net decrease of approximately $150,000 for FYE June 30, 2027.

FISCAL IMPACT

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

STAFF RECOMMENDATION

The Committee considers the Cash Reserve Policy for Fiscal Year Ending June 30, 2027, and makes a recommendation for the Board of Directors.

ATTACHMENTS

- Cash Reserve Policy
- Exhibit A

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). The intent of the Cash Reserve Policy is to set overall reserve levels that are 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. 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, 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	**50% of Annual Operating Expenditures or approximately 180 days**
Repair & Replacement Reserve	**25% Annual Depreciation**
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 it relates to both revenues and expenses. Water 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 operation and maintenance reserve may be used any time to meet the cash flow requirements of PV Water's operations.

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, agencies in the most stable operating environments 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 Target Level

PV Water will maintain an Operation & Maintenance Reserve equal to 50%, or approximately 180 days, 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 Repair & Replacement Reserve may be used any time to fund the unplanned repair or replacement of capital assets, and to allow PV Water to absorb fluctuations in the capital improvement 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 Target Level

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 funds dedicated to paying PV Water'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. Increases and decreases to the Debt Service Reserve are based upon total debt service 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 PV Water's Department of Water Resources' promissory note and State Water Resources Control Board's Clean Water State Revolving Fund (SRF) Financial Agreement. PV Water's accounting records show these amounts in various liability accounts.

Debt Service Reserve Policy

PV Water will maintain 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

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. The Rate Stabilization Reserve can be used at any time to meet the cashflow requirements of PV Water's operations. The use of the Rate Stabilization Reserve requires Board Authorization.

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 Target Level

PV Water will maintain 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.

Accessing Reserved Funds

A written request will be submitted to the Administrative & Finance Committee, prior to the Board of Directors, outlining the reasons for accessing the reserves, the amount needed, and a plan for payment or replenishment. The Board of Directors will review and approve or modify the request, authorizing the transfer of funds. The approved transfer is executed, moving the funds out of the reserve to be used for only the specific and intended purpose.

Replenishment and Annual Review

To replenish cash reserves, target balances are established along with identifying the sources of revenue to set an annual appropriation schedule of repayment.

Operating & Maintenance Reserves are replenished from PV Water's revenue, taking precedence over the replenishment of the Rate Stabilization Reserve. Operating and Maintenance reserves will be replenished as soon as is fiscally feasible.

The Rate Stabilization Reserve will be replenished as soon as possible, with replenishment to commence within 18 months of any Rate Stabilization Reserve draw.

Repair & Replacement Reserves are replenished from PV Water's revenue, taking precedence over the replenishment of the Rate Stabilization Reserve. Repair & Replacement reserves will be replenished as soon as is fiscally feasible.

The General Manager or Finance & Administrative Services Manager will submit a reserve analysis to the Board of Directors when:

- The Board of Directors considers the annual budget.
- The Board of Directors considers a rate increase.
- A major change in conditions threatens the reserve levels.

If reserve analysis (Exhibit A) indicate projected or actual individual reserve levels would fall 10 percent or more below target levels outlined in this Policy, at least one of the following actions shall be included with the analysis:

- An explanation of why the reserve levels are not at the targeted level.
- A list of actions needed to bring reserve levels within the target level prescribed.

PV Water closely monitors, reviews, and evaluates reserve balances and funding levels annually. All reserve fund transactions are transparent to the public, via meeting minutes, budget documentation and board resolutions. 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"

Operation & Maintenance Reserve	FY24/25	FY25/26	FY26/27
Projected Operating Expenditures ($MM)	8.85	9.17	9.41
Projected Reserve Amount ($KK)	4,427.09	4,587.23	4,704.50

Repair & Replacement Reserve	FY24/25	FY25/26	FY26/27
Projected Annual Depreciation ($MM)	3.43	3.37	3.31
Projected Reserve Amount ($KK)	857.97	841.36	826.46

Debt Service Reserve	FY24/25	FY25/26	FY26/27
Projected Debt Service Payments ($MM)	4.02	4.02	2.27
Restricted Funds for Debt Covenants ($KK)	346.09	361.06	376.10
Projected Reserve Amount ($KK)	734.39	731.12	379.63

Rate Stabilization Reserve	FY24/25	FY25/26	FY26/27
Projected Reserve Amount ($KK)	1,100.00	1,200.00	1,300.00

Total Cash Reserve ($MM)	**7.12**	**7.36**	**7.21**

MEMORANDUM

DATE: July 1, 2026
MEETING OF: July 7, 2026
TO: Administration and Finance Committee
FROM: General Manager
RE: **ITEM 6:** Conduct Annual Review of the Statement of Investment Policy

BACKGROUND

The Statement of Investment Policy (Policy) is an important tool that 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 Board of Directors first adopted an Investment Policy on July 3, 2002, under Resolution 2002-19. The Policy was last amended the Board of Directors on June 18, 2025 under Resolution 2025-07.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Committee review the Policy and consider making a recommendation to the Board.

ATTACHMENT

- Resolution 2025-07, Amending the Statement of Investment Policy

Resolution 2025-07

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

Amending Statement of Investment Policy

The Board of Directors of the Pajaro Valley Water Management Agency ("PV Water") does resolve as follows:

WHEREAS, PV Water's Board of Directors first adopted an Investment Policy on July 3, 2002, under Resolution 2002-19, and most recently Amended the Investment Policy on August 21, 2024, under Resolution 2024-12, and the Administration & Finance Committee reviewed the proposed amendments to the Investment Policy during its June 10, 2025, meeting, and voted in favor of recommending the Board adopt the amended Policy; and

WHEREAS, the Investment Policy has undergone periodic updates to comply with California Government Code; and

WHEREAS, PV Water's Board of Directors 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 the provisions of California Government Code sections 53601 and 53635; and

WHEREAS, PV Water's General Manager and Finance & Administrative Services Manager ("Investment Officers") shall prepare and submit an annual statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting; (CGC §53646(a)); and

WHEREAS, it shall be the policy of PV Water to invest such surplus funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of PV Water and conforming to all statutes governing the investment of PV Water funds.

NOW, THEREFORE, BE IT RESOLVED that pursuant to section 53646 of the California Government Code, Pajaro Valley Water Management Agency hereby adopts the amended Investment Policy, attached hereto, and incorporated by reference herein.

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **18th** day of **June, 2025**, by the following vote:

AYES: Rider, Bannister, Newell, Broz, Hernandez. Miller
NOES: None
ABSENT: Culbertson
ABSTAIN: None

Stephen Rider, Chair

Attest:

Asia Valdivia, Board Secretary

PAJARO VALLEY WATER MANAGEMENT AGENCY

Statement of Investment Policy

Adopted by the Board of Directors on June 18, 2025.

The Pajaro Valley Water Management Agency ("PV Water") Board of Directors ("Board") 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 PV Water's Administration & Finance Committee, which provides direction to PV Water's General Manager and Finance & Administrative Services Manager ("Investment Officers"). Investments are limited to those instruments specified by the Board.

1. Scope

This investment policy applies to all financial assets of PV Water. These funds are accounted for in the annual financial 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 PV Water 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 PV Water 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 Investment Officers are authorized to invest PV Water funds for terms set forth below except bond proceeds may be invested for a term no longer than 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 Investment Officers may invest in certificates of deposit issued by bank, savings association, or federal association chartered by the United States of America (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 PV Water.

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 Investment Officers 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.

j) The maximum maturity shall be limited to 5 years. 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 Investment Officers 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 Investment Officers 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 Five Hundred Million Dollars ($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 Investment Officers 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 PV Water, 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 PV Water 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) PV Water or its agent shall have received a perfected first security interest in the obligation securing such investment agreement or contract, (b) PV Water or its agent shall hold the obligations securing such investment agreements or contracts, (c) PV Water 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 Investment Officers.

13. Safekeeping

a) All security transactions entered into by PV Water shall be conducted on delivery-versus-payment ("DVP") basis. All securities purchased or acquired shall be delivered to PV Water 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 PV Water's Investment Officers for audit.

14. Portfolio Adjustments

Any reference to portfolio shall mean the total of PV Water's cash and securities under management by the Investment Officers.

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 Investment Officers shall consider restructuring the portfolio basing their 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 PV Water'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 Investment Officers shall solicit more than one quotation on each trade.

16. Reporting Requirements

In accordance with California Government Code §53607, the Finance & Administrative Services Manager shall submit to each member of the Board of Directors a monthly investment report. The report shall include a complete listing of transactions. Also in accordance with California Government Code §53646(b)(1), the Finance & Administrative Services Manager shall submit to each member of the Board of Directors a quarterly investment report with a 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 PV Water 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) PV Water will meet its expenditure obligations for the next six months as required by California Government Code §53646 (b)(2) and (3) respectively. The Finance & Administrative Services Manager shall maintain a complete and timely record of all investment transactions.

17. Prohibited Investments

Under the provisions of California Government Code §53601.6, PV Water 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 Investment Officers 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

Directors and PV Water 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:	July 2, 2026
MEETING OF:	July 7, 2026
TO:	Administration & Finance Committee
FROM:	General Manager
RE:	**ITEM 7:** Consider Agreement with Montgomery & Associates for Sustainable Groundwater Management Act Planning & Implementation Technical Support Services in an Amount not to Exceed $341,897

BACKGROUND

The Sustainable Groundwater Management Act (SGMA), codified at Water Code §§ 10720 et seq., requires that high priority groundwater basins, such as the Pajaro Valley Basin, achieve sustainability by 2040. The Pajaro Valley Water Management Agency (PV Water) submitted the 2014 Basin Management Plan (BMP) Update and other related documents as an Alternative to a Groundwater Sustainability Plan (GSP) in December 2016. The California Department of Water Resources (DWR) notified PV Water that its GSP Alternative was approved in July 2019. PV Water submitted the first 5-year update and periodic evaluation of the GSP Alternative, the BMP: Groundwater Sustainability Update 2022 (GSU22) to the DWR in December 2021. DWR approved the GSU22 in June 2024 and recommended corrective actions (RCA) to be addressed in the next periodic update of the GSP Alternative, which is due December 2026.

DISCUSSION

To support the Pajaro Valley Sustainable Groundwater Planning Project, staff issued a Request for Qualifications (RFQ) on June 1, 2020. A Review Committee, established by the Projects and Facility Operations Committee, voted in favor of selecting Montgomery & Associates Water Resource Consultants (M&A) to prepare PV Water's initial periodic update. In addition to preparing the GSU22, which was developed under the guidance of an Ad Hoc Sustainable Groundwater Planning Advisory Committee, M&A supported PV Water's staff in the preparation and submittal of several annual reports, including the most recent, Water Year 2025 report.

PV Water staff requested M&A prepare a scope of work to assist staff with the preparation of the second periodic update of its GSP Alternative. The scope includes tasks to support PV Water in responding to the DWR's recommended corrective actions, to continue assisting with the preparation of SGMA Annual Reports, and to provide support during the installation of new monitoring wells designed to eliminate data gaps identified in GSU22.

The new scope includes the tasks listed below. Additional information regarding each task, including deliverables, is provided in the attached scope of work. The tasks listed below will be completed by June 30, 2028. M&A has already initiated work on some tasks through its current agreement, which is nearly out of time and funding.

1. Address RCA 1 for Interconnected Surface Water (ISW)
2. Address RCA 2 for Inter-Basin Coordination
3. Assess Sustainability Status for New or Revised Sustainable Management Criteria
4. Summarize Sustainability Status and Projects and Management Actions Based on Water Year 2025 Annual Report
5. Describe Updates to Monitoring Network and Data Gaps
6. Summarize Activities Based on Requirements for Periodic Evaluation
7. Prepare GSU27 and Respond to Comments
8. Support Installation of SGMA Monitoring Network Expansion Project Monitoring Wells
9. Support Annual Reporting through Water Year 2027

FISCAL IMPACT

The cost estimate provided with the scope of work would not exceed $341,897 over 2 fiscal years. It should be noted that Task 1 includes a contingency item that if not needed would reduce the budget by approximately $101,000.

STAFF RECOMMENDATION

The Committee reviews the agreement with Montgomery & Associates for Sustainable Groundwater Management Act Planning & Implementation Technical Support Services in an Amount not to Exceed $341,897.

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:	**Errol L. Montgomery & Associates, Inc.**	**Date**:	**7/2/2026**
	1970 Broadway, STE 225		
	Oakland, CA 94612		
Tel:	**(510) 903-0458**		
Fax:			

Contract Amount:	**$341,897**	**Start Date:**	**07/16/2026**	**End Date:**	**06/30/2028**

Accepted:	**Pajaro Valley Water Management Agency**	**Consultant:**	**Errol L. Montgomery & Associates, Inc.**
		FEIN:	86-0484626
By:		**By:**	
	Brian Lockwood		**Hale Barter**
Title	**General Manager**	**Title**	**President**
	Other authorized representative(s):		**Other authorized representative(s):**
			Cameron Tana, P.E.
			Principal Hydrologist

CONSULTANT AGREEMENT

This Agreement is entered into and effective this **16th** day of **July 2026**, by and between the **Pajaro Valley Water Management Agency** ("PV Water"), and Errol L. Montgomery & Associates, Inc. ("Consultant") referred to herein individually as a "Party" and collectively as "the Parties."

WHEREAS, [Insert factual background for the work, as needed];

WHEREAS, PV Water agrees to hire Consultant for Sustainable Groundwater Management Act Planning & Implementation Technical Support Services (the "Project"); and,

WHEREAS, Consultant represents that it has the expertise, means, and ability to perform said duties as outlined within its proposal dated **June 30, 2026** and received by PV Water (attached as Exhibit A to this Agreement);

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

1. Term of Agreement. The term of this Agreement shall begin on the effective date of this Agreement and terminate on **June 30, 2028**, 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. Consultant acknowledges that it is necessary for Consultant to complete its work on before the completion date set forth herein in order to allow PV Water to achieve its objectives for entering into 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): Brian Lockwood, General Manager. Only PV Water's authorized representative(s) is authorized to approve changes to this Agreement on behalf of PV Water.

3.2 Consultant. Consultant designates the following individual(s) as Consultant's authorized representative(s): Hale Barter, President or Cameron Tana, Principal Hydrologist. 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 three hundred forty-one thousand eight hundred ninety-seven dollars **($341,897**). The fee for services will be based on the Fee Schedule included in Exhibit A of this Agreement. Consultant shall not exceed this maximum payment amount without advance written authorization from PV Water in the form of an amendment or change order. Consultant agrees that the payments to Consultant specified herein will constitute full and complete payment for all obligations assumed by Consultant under this Agreement, including for all personnel, materials, supplies, and equipment used by Consultant in the Scope of Work.

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, PV Water may approve payment for said costs if authorized in writing by PV Water in advance.

4.3 Appropriation of Funds. This Agreement is contingent upon the appropriation of

sufficient funding by PV Water, the state, and/or the federal government for the services covered by this Agreement. If funding is reduced or deleted for the services covered herein, PV Water has the option without penalty or liability to entire terminate this Agreement or to offer an amendment to this Agreement indicating any reduced amount.

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. Consultant agrees to indemnify, defend, and hold harmless PV Water, its officials, officers, employees, and agents against any claim or liability, including attorneys' fees and costs, arising in any manner related to this Agreement that an employee, agent, or others under Consultant's supervision or control was misclassified. 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 California Political Reform Act, Section 1090 of the Government Code, Levine Act, Section 84308 of the Government Code, and PV Water's 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 (collectively, "Indemnitees") from and against any and all liabilities, claims, demands, actions, losses, injuries, judgments, damages, or expenses (including attorney's fees and costs) ("Losses") 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 Indemnitees. Consultant's obligation to defend shall arise regardless of any claim or assertion that Indemnitees caused or contributed to the Losses.

For Design Professional Services under Civil Code §2782.8:
In the event this Agreement involves the performance of design professional services by Consultant, Consultant's officers, employees, agents or subcontractors, Consultant's costs to defend Indemnitees shall not exceed the Consultant's proportionate percentage of fault per Civil Code §2782.8.

This Section 7 shall survive termination or expiration of this Agreement.

8. Insurance. Consultant agrees to procure and maintain the insurance coverages and limits as required by PV Water prior to the commencement of work and throughout the duration of the Agreement, 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, including naming Pajaro Valley Water Management Agency, its officers, officials, employees, and agents as additional insureds. 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. Any Subconsultant markup by Consultant shall not exceed 5% of the Contract Sum. The Consultant is solely responsible for all payments due to sub-consultants.

Consultant shall be as fully responsible to PV Water for the negligent acts and omissions of its sub-consultants, and of persons either directly or indirectly employed by them, or acting on Consultant's behalf pursuant to this Agreement, as it is for the acts and omissions of persons directly employed by Consultant.

10. Compliance with Laws. All activities of Consultant, its employees, subcontractors, and/or agents will be carried out in compliance with all applicable federal, state and local laws and regulations.

11. Permits. Consultant will obtain all permits required by governmental authorities for the Project, and Consultant will comply with local, state, and federal regulations and statutes, including but not limited to Cal/OSHA requirements, in its performance of the Project.

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. PV Water requires Consultant to comply with all applicable federal, state, and local equal employment opportunity laws and regulations. Consultant agrees to refrain from discriminatory employment practices based on age, race, religious creed, color, sex, national origin,, gender, physical characteristics, marital status, sexual orientation, genetic information, organizational affiliation, disability (mental and physical), ancestry, military or veteran status, or other protected characteristics under local, state, or federal law of any employee of, or applicant for employment with, such Consultant. Consultant is responsible for ensuring that effective policies and procedures concerning the prevention of abusive conduct, discrimination, harassment, and retaliation exist in Consultant's business organization.

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

15. Inspection. Authorized representatives of PV Water shall have access to Consultant offices or other work location during normal business hours for the purpose of review and inspection of work activities undertaken pursuant to this Agreement. 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's 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 PV Water that this Agreement is terminated, Consultant will immediately act to not incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. PV Water's only obligation to the Consultant will be just and equitable payment for services authorized by, and received to the satisfaction of, PV Water up to and including the effective date of termination less any amounts withheld. Within ten (10) days of receipt of written notice that this Agreement is terminated, Consultant will submit an invoice for an amount that represents the value of actual 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 and no compensation will be payable for anticipated profit on unperformed services.

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 an act of God, natural disaster, pandemic, acts of terrorism, war, strike, lockout or other labor difficulty, or other peril, which is beyond the reasonable control of the affected party and without the negligence of respective Parties. 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. Each Party will, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and will, upon the cessation of the cause, diligently pursue performance of its obligations in 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 based on PV Water's sole discretion.

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. California Public Records Act. PV Water is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA"). If Consultant's proprietary

information is contained in documents or information submitted to PV Water, and Consultant claims that such information falls within one or more CPRA exemptions, Consultant must clearly mark such information "Confidential and Proprietary," and identify the specific lines containing the information. In the event of a request for such information, PV Water will make best efforts to provide notice to Consultant prior to such disclosure. If Consultant contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief, or other appropriate remedy from a court of law in Santa Cruz County before the PV Water is required to respond to the CPRA request. If Consultant fails to obtain such remedy within the time the PV Water is required to respond to the CPRA request, PV Water may disclose the requested information without any liability. Consultant further agrees that it shall defend, indemnify and hold PV Water harmless against any claim, action or litigation (including but not limited to all judgments, costs, and attorney's fees) that may result from denial by PV Water of a CPRA request for information arising from any representation, or any action (or inaction), by the Consultant.

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

If to PV Water:

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

If to Consultant:

Montgomery & Associates
Attn: Hale Barter, President
1550 E. Prince Road
Tucson, Arizona 85719
(510) 903-0458

Changes to the above information shall be given to the other party in writing ten (10) business days before the change is effective.

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

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

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

30. Counterparts. This Agreement may be executed in counterparts, which, together, shall constitute one and the same instrument. Electronic, facsimile, scanned pdf, and digital signatures, so long as fully compliant with Government Code Section 16.5(a) and copies of this Agreement shall be accepted as originals.

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

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

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

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

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

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

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

38. PV Water-Provided Information and Services. PV Water shall furnish Consultant available studies, reports and other data pertinent to Consultant's services; obtain or authorize Consultant to obtain or provide additional reports and data as required; furnish to Consultant services of others required for the performance of Consultant's services hereunder, and Consultant shall be entitled to use and rely upon all such information and services provided by PV Water or others in performing Consultant's services under this Agreement. Consultant agrees to maintain the confidentiality of the information provided and not disclose to any third party, except as necessary to perform Consultant's services under this Agreement.

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

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

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

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

b. Consultant shall maintain and make available payroll and worker records in accordance with Labor Code sections 1776 and 1812;

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

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

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

f. Any failure of Consultant and/or its subconsultant to comply with the above requirements relating to a public work project shall constitute a breach of this Agreement that excuses PV Water's performance of this Agreement at 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 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

Errol L. Montgomery & Associates, Inc.

By: _____
Hale Barter, President

APPROVED AS TO FORM

By: _____
PV Water General Counsel

EXHIBIT “A”

Proposal and Fee Schedule

MONTGOMERY
& ASSOCIATES
Water Resource Consultants

June 30, 2026

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

SUBJECT: PROPOSED SCOPE FOR GROUNDWATER SUSTAINABILITY UPDATE 2027

Dear Mr. Meusel and Mr. Lockwood:

The Pajaro Valley Water Management Agency (PV Water), as the Groundwater Sustainability Agency (GSA) for the Pajaro Valley Subbasin, is responsible for implementing the Pajaro Valley Groundwater Sustainability Plan (GSP) Alternative. The Sustainable Groundwater Management Act requires GSA's implementing GSP Alternatives resubmit the GSP Alternative at least once every 5-years. PV Water submitted its first periodic update of the GSP Alternative called the Basin Management Plan: Groundwater Sustainability Update 2022 (GSU22) to the Department of Water Resources (DWR) in December 2021. DWR approved GSU22 in June 2024 and recommended corrective actions (RCA) to be addressed in the next 5-year update of the GSP Alternative due December 2026. This scope outlines the tasks that Montgomery & Associates (M&A) will complete to support PV Water in preparing the Basin Management Plan: Groundwater Sustainability Update 2027 (GSU27), including responding to DWR's RCA.

APPROACH

Water Code Section 10733.6(c) establishes SGMA's requirement for the GSP Alternative update: "A local agency shall submit an alternative pursuant to this section no later than January 1, 2017, and every 5 years thereafter." The GSU22 updated the GSP Alternative by focusing on addressing DWR's RCA and was submitted along with original documents that consist of the GSP Alternative. M&A's approach for GSU27 will also be focused on addressing DWR's RCA to update the GSP Alternative.

Because the requirement for the GSP Alternative is different from the periodic evaluations required to be submitted every 5 years for non-alternative GSPs, the regulatory requirements for periodic evaluations do not apply to GSU27. However, M&A proposes addressing the general topics covered by the regulatory requirements for periodic evaluations to help facilitate DWR's review of GSU27. M&A will address the topics as efficiently as possible and avoid unnecessary effort undertaken for the sole purpose of meeting requirements or guidance for periodic

evaluations. The scope presented here reflects a maximum effort expenditure; M&A aims to coordinate with DWR and PV Water to be as efficient and impactful as possible.

The approach for outreach and communication will be different for GSU27 than GSU22, which included significant policy decisions—primarily development of most sustainable management criteria (SMC)—requiring broad stakeholder input through an ad-hoc advisory committee. Policy decisions for RCAs are more focused on coordination with target groups and do not require a community-based process. PV Water will use its existing Board and standing committee meetings to present GSU27 items publicly, and to provide a forum for public feedback. In addition, PV Water will take the lead on informing the public about GSU27.

CONTRACTING

M&A's current contract dated January 23, 2020, for the GSP Alternative Update has been amended 3 times. The third amendment executed January 21, 2026, extended the contract term to June 30, 2026, and added scope to continue preparation for GSU27. Specific Amendment 3 tasks include the following:

- Task A: Technical Memorandum Clarifying RCA 1 and Describing Approach to GSU27 for DWR
- Task B: Evaluate Significant New Information Such as DWR Airborne Electromagnetic (AEM) Survey Data
- Task C: Support Water Year 2025 Annual Reporting
- Miscellaneous Tasks

Additional GSU27 work may proceed under the current contract if it is amended to extend the term to July 31, 2026, using the remaining budget. Completing GSU27 will require a new contract with PV Water. Accordingly, the following scope of work is proposed for 2026-2028 under a new contract.

SCOPE OF WORK UNDER NEW CONTRACT

Task 1. Address RCA 1 for Interconnected Surface Water (ISW)

Based on DWR feedback on the TM clarifying RCA 1 (Task A) and the ISW guidance that DWR has indicated will be issued by late 2026, M&A and cbec will address RCA 1. Given uncertainty of DWR feedback and guidance, contingent subtasks are included in the scope for this task. These subtasks are contingent on DWR feedback on the Technical Memorandum "Response to DWR's Recommended Corrective Action 1 on Interconnected Surface Water" prepared under Task A of the third amendment of the current contract. M&A and cbec will

undertake one or both of these subtasks if DWR feedback indicates PV Water must address RCA 1 items including setting minimum thresholds and undesirable results for ISW and/or planning new monitoring features and studies. If new monitoring features or studies are needed to address the recommendation, implementation would be addressed by a separate plan from GSU27.

A draft section for GSU27 addressing RCA 1 will be developed for review and feedback by DWR and potentially resource agencies such as National Marine Fisheries Service (NMFS) and California Department of Fish and Wildlife (CDFW). The task includes a virtual meeting with reviewing agencies.

After DWR and other resource agency review, the section for GSU27 will be revised for consideration by PV Water. The task includes online presentations at 1 committee and 1 Board meeting.

Task Deliverables:

- GSU27 Section on ISW
- GSU27 ISW Subsection on new sustainable management criteria for ISW (contingent on DWR feedback)
- GSU27 ISW Subsection on plans to expand ISW monitoring network (contingent on DWR feedback)

Task 2. Address RCA 2 for Interbasin Coordination

M&A will compare inter-basin policy and hydrogeologic understanding in the GSP Alternative with the most current information from the neighboring Santa Cruz Mid-County and Salinas Valley Basins. This comparison will include SMC, monitoring networks, and hydrogeologic conceptual models (HCM), and will incorporate information from Water Year 2025 annual reports and the GSP periodic evaluations of neighboring basins. Because the Santa Cruz Mid-County Basin GSP periodic evaluation was submitted in January 2025, the comparison with that basin will be conducted first. During this effort, the Pajaro Valley HCM will also be compared with ongoing Santa Cruz Mid-County Basin HCM updates completed by M&A in early 2026. Periodic evaluations for the neighboring Salinas Valley subbasins are due after GSU27 is submitted. Therefore, the comparisons with Salinas Valley subbasins will be conducted based on the most updated information the Salinas Valley GSA team can provide in time for this task to be completed on schedule.

M&A will provide draft GSU27 subsections addressing RCA 2, including the comparison results and a proposed future coordination plan, to each of the neighboring GSAs for review and comment. This task also includes virtual meetings with each of the neighboring GSAs.

After neighboring GSA review and meetings, M&A will draft a section for GSU27 for consideration by PV Water. The task includes a virtual presentation at a Board or committee meeting where Task 4 would also be presented.

Task Deliverable:

- GSU27 Section on interbasin coordination

Task 3. Assess Sustainability Status for New or Revised Sustainable Management Criteria

Task 1 of this proposed contract (*Address RCA 1 for Interconnected Surface Water*) may result in new sustainable management criteria for ISW. Similarly, Task B of the current contract (*Evaluate Significant New Information Such as DWR Airborne Electromagnetic (AEM) Survey Data*) may result in revised sustainable management criteria for SWI. If PV Water approves new or revised sustainable management criteria, M&A will evaluate Water Year 2025 data against the SMC using analytical approaches similar to those used in the annual reports.

M&A will prepare a draft GSU27 subsection describing the assessment for PV Water staff to review, and M&A staff will incorporate feedback into a final draft for PV Water's consideration.

Task Deliverables:

- GSU27 Subsection on new or revised SMC (Contingent on DWR feedback and ongoing data analysis)

Task 4. Summarize Sustainability Status and Projects and Management Actions Based on Water Year 2025 Annual Report

Sustainability status for all indicators with unchanged SMC will be described based on the analyses presented in the Water Year 2025 Annual Report. M&A will summarize and reference the annual report conclusions.

M&A will summarize progress of projects and management actions based on the Water Year 2025 Annual Report and will supplement GSU27 with descriptions of project status updates since the annual report.

M&A will prepare draft GSU27 subsections on these topics for PV Water staff to review, and M&A will incorporate feedback into a final draft for PV Water's consideration.

Task Deliverables:

- GSU27 Section on sustainability status and PMAs

Task 5. Describe Updates to Monitoring Network and Data Gaps

PV Water is currently planning to install monitoring wells to fill the priority data gaps identified in GSU22. M&A will describe this effort and any other changes to the GSP Alternative monitoring network, list remaining data gaps identified in GSU22, and note any new data gaps identified since GSU22.

M&A will prepare a draft GSU27 section on the updated monitoring network and data gaps for PV Water staff to review, and M&A will incorporate feedback into a final draft for PV Water's consideration.

Task Deliverables:

- GSU27 Section on monitoring networks and data gaps

Task 6. Summarize Activities Based on Requirements for Periodic Evaluation

The remaining requirements for periodic evaluations can be addressed with descriptions of GSU27-related efforts and other PV Water activities. With support from PV Water, M&A will summarize any activities related to the following:

- PV Water authorities related to SGMA
- Outreach and engagement as led by PV Water staff and centered around PV Water's regular Board and committee meetings
- Coordination with other agencies, including any beyond Tasks 1 and 2
- Legal challenges

If desired by PV Water, M&A can also conduct analysis of updated Pajaro Valley Hydrologic Model (PVHM) results for the historical model simulation. Analysis of water budgets and groundwater levels from these simulations can inform updates of the Basin setting, sustainability projections, and sustainable yield. M&A assumes the USGS will provide processed zone budget output for the Basin area for water budgeting purposes.

M&A will prepare a draft section with these summaries for PV Water staff to review, and M&A will incorporate feedback into a final draft for PV Water's consideration.

Task Deliverables:

- GSU27 Section on outreach, coordination, and SGMA enforcement
- GSU27 Section on water budget analysis and sustainable yield (optional)

Task 7. Prepare GSU27 and Respond to Comments

M&A will prepare a Board draft of GSU27 incorporating sections from Tasks 1 to 6 based on PV Water staff, Board, and/or committee review. M&A will present the Board draft in person at a Board meeting.

After the Board meeting, M&A will prepare responses to comments on the Board draft and prepare the final GSU27 addressing Board and public comments as appropriate. M&A will compile GSU27 with other GSP Alternative documents and prepare the GSP Alternative Elements Guide for PV Water submittal to DWR. After submittal, M&A will prepare responses to comments received from DWR and public comments.

Task Deliverables:

- Combined GSU27 submittal
- Document of response to Board and public comments submitted to PV Water
- Document of response to DWR and public comments submitted to DWR

Task 8. Support Installation of SGMA Monitoring Network Expansion Project Monitoring Wells

M&A will provide specific hydrogeological services during monitoring well installation project for up to 8 locations. This will include 1 site visit per location, for 8 visits total, at the end of borehole drilling, to complete lithologic descriptions of the encountered material. M&A will use the lithologic descriptions and borehole geophysical surveys provided by PV Water to provide recommended monitoring well design(s) for each location. Some of the 8 locations will include multi-depth completions, resulting in a total of 11 monitoring wells.

At the completion of field activities, M&A will prepare and submit 1 consolidated Technical Memorandum to document the installation and development of all 11 monitoring wells. This will include a description of the work completed, methods and procedures used, figures, summary tables, conclusions and recommendations, and appendices (including relevant contractor submittals).

M&A assumes PV Water will contract with the drilling Contractor and PV Water staff will oversee all aspects of well drilling, construction, and development. Subcontractors, subconsultants, and laboratory fees are not included in the budget for this task.

M&A will regularly coordinate with PV Water to ensure we are updated on schedule and provide any necessary field support. To facilitate flexibility in staffing field support, the cost estimate assumes field staff with the highest rate, but qualified staff with lower rates will be assigned to the work when appropriate.

Task Deliverables:

- SGMA Monitoring Network Expansion Project Well Installation Technical Memorandum

Task 9. Support Annual Reporting through Water Year 2027

As in recent years, M&A will continue to support PV Water staff in preparing Basin Annual Reports for Water Years 2026 and 2027. This support includes analyzing sustainability status, preparing report and presentation materials, reviewing reports, and helping respond to stakeholder and Board questions.

Task Deliverables:

- Draft sections and graphics for WY 2026 annual report
- Draft sections and graphics for WY 2027 annual report

PROJECT SCHEDULE

Figure 1 presents a monthly Gantt chart of the initial proposed schedule for each task. Milestone check-in meetings will occur at significant task intervals, as indicated on Figure 1.

Additional virtual team check-in meetings will also occur as needed to share and receive information with PV Water, to ensure progress is being made, and to provide opportunities for input.

Table 1 presents the estimated project budget for M&A tasks supporting GSU27 completion. Costs associated with subconsultants are approximate and may be subject to change. For this contract, M&A proposes its standard California rates from 2025, which are used for other Santa Cruz County clients for fiscal year 2026-27. In fiscal year 2027-2028, M&A's cost estimate assumes standard California rates from 2026.

Thank you for the opportunity to provide this scope. If you have any questions, please feel free to contact us.

Sincerely,
MONTGOMERY & ASSOCIATES

Cameron Tana, P.E.
Principal Hydrologist

Patrick Wickham, P.G., C.Hg.
Hydrogeologist

Year	2026					2027												2028				
Month	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5
Task 1. Address RCA 1 for Interconnected Surface Water	Meeting		Meeting																			
Task 2. Address RCA 2 for Interbasin Coordination		Meeting																				
Task 3. Assess Sustainability Status for New or Revised Sustainable Management Criteria																						
Task 4. Summarize Sustainability Status and Projects and Management Actions Based on Water Year 2025 Annual Report																						
Task 5. Describe Updates to Monitoring Network and Data Gaps																						
Task 6. Summarize Activities Based on Requirements for Periodic Evaluation																						
Task 7. Compile GSU27 and Respond to Comments			Draft GSU27		Final GSU27																	
Task 8. Support Installation of New Monitoring Wells																						
Task 9. Support Annual Reporting Through WY2027								Annual Report												Annual Report		

Figure 1. Project Schedule

Table 1. Cost Estimate

	Principal in Charge	Technical Advisor (SGMA)	Technical Advisor (Well Installation)	Monitoring Network Expert	Project Manager	Project Hydrogeologist	GIS, Data, or Field Support	Technical Editor	Expenses	Subconsultant	Total
	Cameron Tana	Georgina King	Bill DeBoer	Nicholas Byler	Patrick Wickham	Trevor Pontifex					
FY 2026-27 Rates	$290	$290	$265	$215	$215	$195	$165	$95			
FY 2027-28 Rates	$295	$295	$273	$221	$221	$201	$173	$98			
Work to be Completed Under New Contract (Through FY 2027-28)											
Task 1. Address RCA 1 for Interconnected Surface Water (ISW)											
1.1 - Develop Draft GSU27 Section on RCA 1	6	2	0	4	8	40	16	6	$-	$0	$16,090
1.2 - Meetings with DWR and Resource Agencies	6	0	0	0	8	16	8	0	$-	$2,449	$10,529
1.3 - Online Presentations to Board and Committee Meetings	4	0	0	0	6	8	2	0	$-	$1,225	$5,685
1.4 - Develop MT and Undesirable Results for ISW (Contingent on DWR Feedback)	8	8	0	0	40	40	12	0	$-	$14,055	$37,315
1.5 -Expand ISW Monitoring Network (Contingent on DWR Feedback)	6	2	0	40	8	24	24	0	$-	$42,164	$63,624
Subtotal (Excluding contingent subtasks)	16	2	0	4	22	64	26	6	$-	$3,674	$32,304
Subtotal (Including contingent subtasks)	30	12	0	44	70	128	62	6	$-	$59,892	$133,242
Task 2. Address RCA 2 for Interbasin Coordination											
2.1 - Coordination Meeting with Mid-County GSA (online)	4	1	0	0	8	2	4	0	$-	0	$4,340
2.2 - Coordination Meeting with Salinas GSA (online)	4	1	0	0	8	2	4	0	$-	0	$4,340
2.3 - Online Presentation to Board or Committee Meeting	2	0	0	0	6	1	4	0	$-	0	$2,785
2.4 Finalize GSU27 Section on RCA 2	2	2	0	0	6	16	0	2	$-	0	$5,820
Subtotal	12	4	0	0	28	21	12	2	$-	$0	$17,285
Task 3. Assess Sustainability Status for New or Revised Sustainable Management Criteria											
3.1 - Assess Sustainability Status for Interconnected Surface Water	1	0	0	0	2	4	12	0	$-	0	$3,510
3.2 - Draft GSU27 Subsection on New or Revised SMC	4	1	0	0	8	2	16	2	$-	0	$6,510
Subtotal	5	1	0	0	10	6	28	2	$-	$0	$10,020
Task 4. Summarize Sustainability Status and Projects and Management Actions Based on Water Year 2025 Annual Report											
4.1 - Update Status of Projects and Management Actions	1	0	0	0	4	0	0	0	$-	0	$1,180
4.2 - Draft GSU27 Sections on Sustainability Status and PMAs	2	0	0	0	8	0	0	2	$-	0	$2,550
Subtotal	3	0	0	0	12	0	0	2	$-	$0	$3,730
Task 5. Describe Updates to Monitoring Network and Data Gaps											
5.1 - Identify Data Gaps	2	0	0	12	4	0	8	0	$-	0	$5,400
5.2 - Draft GSU27 Section on Monitoring Networks and Data Gaps	4	2	0	24	6	0	16	2	$-	0	$11,140

	Principal in Charge	Technical Advisor (SGMA)	Technical Advisor (Well Installation)	Monitoring Network Expert	Project Manager	Project Hydrogeologist	GIS, Data, or Field Support	Technical Editor	Expenses	Subconsultant	Total
	Cameron Tana	Georgina King	Bill DeBoer	Nicholas Byler	Patrick Wickham	Trevor Pontifex					
FY 2026-27 Rates	$290	$290	$265	$215	$215	$195	$165	$95			
FY 2027-28 Rates	$295	$295	$273	$221	$221	$201	$173	$98			
Subtotal	6	2	0	36	10	0	24	2	$-	$0	$16,540
Task 6. Summarize Activities Based on Requirements for Periodic Evaluation											
6.1 - Draft GSU27 Section on Outreach, Coordination, and SGMA Enforcement	1	1	0	0	8	0	0	2	$-	0	$2,520
6.2 - Analyze Water Budgets and Sustainable Yield (Optional)	8	2	0	0	48	32	0	0	$-	0	$19,700
Subtotal (Excluding optional subtask)	1	1	0	0	8	0	0	2	$-	$0	$2,520
Subtotal (Including optional subtask)	9	3	0	0	56	32	0	2	$-	$0	$22,220
Task 7. Compile GSU27 and Respond to Comments											
7.1 - Revise GSU27 Sections and Compile Draft GSU27	8	2	0	8	20	16	32	6	$-	0	$18,130
7.2 - Present GSU27 to Board In Person	12	0	0	0	16	2	2	0	$550	0	$8,550
7.3 - Respond to Comments on GSU27 Board Draft	2	2	0	2	8	4	4	2	$-	0	$5,000
7.4 - Prepare Final GSU27 Submittal to DWR	2	0	0	1	12	8	8	12	$-	0	$7,455
7.5 - Respond to DWR and Public Comments on GSU27	6	4	0	6	32	16	8	2	$-	0	$15,880
Subtotal	30	8	0	17	88	46	54	22	$550	$0	$55,015
Task 8. Support Installation of SGMA Monitoring Network Expansion Project Monitoring Wells											
8.1 - Prepare Lithologic Logs of Drill Cuttings	0	0	8	144	0	0	0	0	$2,439	0	$35,519
8.2 - Prepare Monitoring Well Designs	0	0	8	16	0	0	0	0	$-	0	$5,560
8.3 - Prepare SGMA Monitoring Network Expansion Project Well Installation Technical Memorandum	0	0	12	36	0	40	0	4	$-	0	$19,100
Subtotal	0	0	28	196	0	40	0	4	$2,439	$-	$60,179
Task 9. Support Annual Reporting Through 2027											
9.1 - Support WY 2026 Annual Report	4	0	0	0	24	0	28	6	$-	0	$11,630
9.2 - Support WY 2027 Annual Report (FY 2027-8 Rates)	4	0	0	0	24	0	28	6	$-	0	$12,036
Subtotal	8	0	0	0	48	0	56	12	$-	$0	$23,666
Total Excluding Optional/Contingent Subtasks	81	18	28	253	226	177	200	54	$550	$3,674	$221,259
Total Including Optional/Contingent Subtasks	103	30	28	293	322	273	236	54	$550	$59,892	$341,897

EXHIBIT "B"

Insurance Requirements

Consultant shall procure and maintain insurance against claims for injuries to persons or damages to property and otherwise which may arise from or in connection with the performance of the work under this Agreement and the results of that work by Consultant, its agents, representatives, employees, or sub-contractors as follows:

Coverage will be at least as broad as:

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. [OPTIONAL – Add when Data Security or Technology Breach Risks are Involved]

Data Security and Privacy Liability. Consultant shall maintain one or more insurance policies – Privacy, Technology, and Data Security Liability, Cyber Liability, or Technology Professional Liability Insurance coverage in the amount of $5,000,000 per occurrence or claim, $5,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations undertaken by Consultant in this contract.

The policy(ies) shall include coverage for claims involving security breach, system failure, data recovery, business interpretation, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information.

The policy(ies) shall provide coverage for breach response costs as well as regulatory fines and penalties, as well as credit monitoring expenses with limits sufficient to respond to these obligations.

The policy(ies) shall include, and be endorsed to include, property damage liability coverage for damage to, alteration of, loss of, or destruction of electronic data and/or information "property" of PV Water in the care, custody, or control of Consultant.

6. [OPTIONAL – Add when Construction is Involved] Builder's Risk (Course of Construction) 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.

7. [OPTIONAL – Add when Project Involves Environmental Hazards] Contractors' Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions with limits no less than $1,000,000 per occurrence or claim, and $2,000,000 policy aggregate.

8. Other Requirements.

   a. Minimum Scope and Limits. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. If Consultant maintains broader insurance coverage and/or higher limits than the minimums shown below, PV Water requires and shall be entitled to the broader insurance coverage and/or higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PV Water.

   b. Additional Insured Endorsement. The general liability[, contractor's pollution 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 insureds. The coverage shall contain no special limitations on the scope of protection afforded to PV Water, its directors, officers, employees, or authorized volunteers.

c. 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.

d. 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.

e. Waiver of Subrogation. Consultant hereby grants to PV Water a waiver of any right to subrogation, except as otherwise not applicable, which any insurer of said Consultant may acquire against PV Water by virtue of the payment of any loss, including attorneys' fees under such insurance. Consultant agrees to obtain any endorsement that may be necessary to effectuate this waiver of subrogation, but this provision applies regardless of whether or not PV Water has received a waiver of subrogation endorsement from the insurer.

f. 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 PV Water within three (3) working days.

g. 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.

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

i. 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.

j. 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.

MEMORANDUM

DATE: July 2, 2026
MEETING OF: July 7, 2026
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 8:** Consider Third Amendment to Agreement with Tanner Pacific, Inc., for College Lake Integrated Resources Management Project Construction Management & Inspection Services in an Amount not to Exceed $390,512

INTRODUCTION

The College Lake Integrated Resources Management Project (College Lake Project or Project) is a critical water supply project that was recommended for implementation by the Ad Hoc Basin Management Plan Committee as documented in the 2014 Basin Management Plan Update. On February 1, 2023, the PV Water Board of Directors (Board) adopted Resolution 2023-02 Approving Plans and Specifications and Awarding Contracts to Mountain Cascade, Inc. (MCI) for the Water Treatment Plant and Intake Facilities Project, Project No. 30-39-501, and the College Lake Pipeline Project, Project No. 30-39-502, in an amount not to exceed a total of $68,697,164. During that same meeting, the Board approved agreements for engineering services, environmental compliance & monitoring services, and an agreement with Tanner Pacific, Inc. (TPI) for construction management and construction inspection services in an amount not to exceed $7,956,452. On December 18, 2024, the Board approved the first amendment to the agreement with TPI in an amount not to exceed $1,453,131 for the following reasons:

1. The College Lake Treated Water Pipeline Project No. 30-39-502 was projected to end by September 2024, however, due to a number of differing site conditions, tunnel inspectors, surveyors, and staff performed more services for a longer period than budgeted.
2. The Water Treatment Plant and Intake Facilities Project, Project No. 30-39-501, was projected to be in operational testing and close out by November 2024, however, that was not the case, and TPI's team remained on site full time to cover the work.
3. Between July 2024 and December 2024, MCI worked longer hours and weekends, significantly more than TPI had anticipated. TPI covered the work with its team on site.

The Board approved the second amendment to the agreement with TPI on August 20, 2025, in an amount not to exceed $624,145 for the following reasons:

1. Final evaluation of outstanding change orders that the contractor has disputed;
2. Final evaluation of time impact schedule analyses, continuing negotiation about the appropriate length of time extensions due to the unforeseen condition mentioned above, and;
3. Continuing negotiations to settle potential Liquidated Damages to be assessed to the contractor and potential overhead costs to be submitted to PV Water.

DISCUSSION

Staff reports to the Board on the progress of the College Lake Project monthly. As the Board is aware, TPI determined that the contracted achieved the substantial completion milestone on the College Lake Treated Water Pipeline Project on December 31, 2024. The contractor is yet to achieve the substantial completion milestone on the Intake and Water Treatment Plant Project. TPI, PV Water, and the contractor are continuing to test the Water Treatment Plant and work to resolve outstanding issues. PV Water staff is requesting the Board approve the third amendment with TPI to bring the project to closure. The attached scope of work provides details on the tasks to be complete. They include:

1. Items pertaining to the Water Treatment Plant and Intake Facility
    a. Extended Startup and Commissioning Support
    b. Topsoil Nonconformance Resolution
    c. Electrical Equipment Claim Support
    d. Warranty and Punch List Resolution
    e. Closeout Support
    f. Perform contractual closeout obligations
2. Arbitration support for the College Lake Pipeline Project
3. Claims Assistance

FISCAL IMPACT

The fiscal impact of the original agreement with TPI for construction management & construction inspection services is $7,956,452. The first amendment to the agreement augmented the budget by $1,453,131, bringing the total not to exceed amount to $9,409,583. The second amendment to the agreement augmented the budget by $461,406, bringing the total not to exceed amount to $10,033,728. The third amendment to the agreement would augment the budget by $390,512, bringing the total not to exceed amount to $10,424,240.

The adopted budget includes $750,000 in professional services for the College Lake Project. A portion of these costs may be recoverable as part of ongoing negotiations with the contractor.

STAFF RECOMMENDATION

The Committee review the proposed the third amendment to the agreement with Tanner Pacific, Inc., and make a recommendation to the Board of Directors. If the recommendation is to proceed, staff will present the Board with the recommendation below.

The Board approve the third amendment to the agreement with Tanner Pacific, Inc., in substantially the same form as the version attached, for construction management & construction inspection services in an amount not to exceed $390,512 ($282,019 plus $108,493 in contingency), bringing the total not to exceed amount to $10,424,240.

ATTACHMENTS

- Third amendment to the agreement with Tanner Pacific, Inc. for construction management & construction inspection services in an amount not to exceed $390,512

THIRD AMENDMENT TO AGREEMENT FOR

PV WATER'S

COLLEGE LAKE INTEGRATED RESOURCES MANAGEMENT PROJECT

CONSTRUCTION MANAGEMENT & CONSTRUCTION INSPECTION SERVICES

THIS THIRD AMENDMENT, effective **July16, 2026** ("Third Amendment") to the Agreement ("Agreement") dated **February 1, 2023,** is made by and between the Pajaro Valley Water Management Agency, a state-chartered water management district ("PV Water") and Tanner Pacific, Inc., a corporation licensed to do business in the State of California ("Consultant").

RECITALS

WHEREAS, PV Water and Consultant previously entered into the original Agreement dated February 1, 2023, for professional construction management and construction inspection services related to carrying out PV Water's College Lake Integrated Resources Management Project, 30-39, ("Project"), which is incorporated herein by this reference; and

WHEREAS, PV Water and Consultant previously entered into the First Amendment to the Agreement, dated December 18, 2024, to 1) supplement the budget of the original scope of work for continuing services beyond the anticipated completion date, in an amount not to exceed $1,453,131, and 2) extend the term end date through December 31, 2025, incorporated herein by this reference;

WHEREAS, PV Water and Consultant previously entered into the Second Amendment to the Agreement to 1) supplement the budget of the original scope of work for continuing services beyond the anticipated completion date, in the amount not to exceed $624,145, and 2) extend the term end date through June 30, 2026, incorporated herein by this reference;

WHEREAS, PV Water and Consultant desire to enter into this Third Amendment to the Agreement to 1) supplement the budget of the original scope of work for continuing services beyond the anticipated completion date, in the amount not to exceed $390,512, and 2) extend the term end date through June 30, 2027, as further specified herein.

AGREEMENT

NOW, THEREFORE, it is agreed between PV Water and Consultant to incorporate the above Recitals hereto, and that the Agreement is hereby amended as follows:

1. Section 1 of the Agreement is hereby amended to read as follows:

"Term of Agreement. This Agreement shall be effective on **February 1, 2023** and terminate on **June 30, 2027**, unless terminated sooner pursuant to the terms of this Agreement."

2. Section 2 of the Agreement is hereby amended to read as follows:

"Work. Consultant will furnish services as defined and described in Exhibits A, C, D, and E, incorporated herein. Consultant represents and warrants that it: (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."

Exhibit E is attached and incorporated into this Third Amendment, and as such is attached and incorporated into the Agreement. The parties hereby agree that Consultant's services as defined in Exhibit E will be at a cost not to exceed $390,512. The total not to exceed amount of the original Agreement ($7,956,452), the First Amendment ($1,453,131), the Second Amendment ($624,145), and the Third Amendment ($390,512), will collectively be a cost not to exceed $10,424,240.

Notwithstanding these amended terms, all other terms and conditions of the original Agreement, and attachments thereto, shall remain in full force and effect. The terms of this Third Amendment shall control should any terms conflict.

Each party acknowledges that it has reviewed this Third Amendment and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Third Amendment.

The parties may execute this Third Amendment in two or more counterparts, which shall, in the aggregate, be deemed an original but all of which, together, shall constitute one and the same instrument. A scanned, electronic, facsimile or other copy of a party's signature shall be accepted and valid as an original.

The signatories and authorized representatives (defined below) to this Third Amendment warrant and represent that each is authorized to execute this Third Amendment, and that their respective signatures serve to legally obligate their respective representatives, agents, successors and assigns to comply with the provisions of this Third Amendment.

IN WITNESS WHEREOF, PV Water and the Consultant have executed this Third Amendment as of the dates shown above.

PAJARO VALLEY WATER MANAGEMENT AGENCY

By: _____ Date: _____

Brian Lockwood, General Manager

TANNER PACIFIC, INC.

By: _____ Date: _____

William Tanner, Chief Executive Officer

Approved As To Form:

By: _____ Date: _____

PV Water General Counsel

TANNER PACIFIC

751 Laurel Street, Suite 609
San Carlos, CA 94070

June 29, 2026

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

Project: Pajaro Valley Water Management Agency – College Lake Project

Subject: Notification of Need for Amendment No. 3 to the Tanner Pacific, Inc. Contract

Dear Mr. Lockwood

Tanner Pacific, Inc. (TPI) is providing the following amendment request associated with the subject project. TPI will continue with our construction management, inspection, and contract administrative services. TPI has identified specific outstanding items of work, listed below, and a proposed scope and budget (Exhibits A and B, respectively) for your consideration:

1. Treatment Plant/Intake (WTP)
    a. Extended Startup and Commissioning Support: Continue to assist with optimization and testing of the treatment system to achieve water quality with turbidity as per the contract specifications (consistently the less than 2 NTU and at flows up to 6,000 gpm). This work is still in progress and requires contractor coordination. This includes assisting with investigation of allowable carryover and addressing corrective actions as required by MCI and Carollo.
    b. Topsoil Nonconformance Resolution: Pursue resolution of the restoration of the topsoil in properties adjacent to both the treatment facility and the intake structure.
    c. Electrical Equipment Claim Support: Continue supporting PV Water through the Claim MCI submitted pertaining to electrical equipment delays. That claim process is still unfolding in a manner consistent with public contract code.
    d. Warranty and Punch List Resolution: Provide construction inspection services as requested by PV Water for remaining punch list item work, warranty items, (e.g. Treatment Support Building door, leaking Actiflo scraper motor, corrosion issues) and possible retrofits and/or additional construction pending Item 1.a resolution.
    e. Closeout Support: Confirmation of the VFD Compliance by Carollo.
    f. Perform contractual closeout obligations. Pursue corrections if needed.
2. College Lake Pipeline
    a. Arbitration Support: MCI submitted a request for arbitration, which remains unresolved at this time. This amendment allows TPI to provide support for disputes submitted by MCI.
3. Task 4, Claims Assistance: Construction management support associated with unanticipated claims and disputes raised by MCI during closeout. This will be approved by PV Water prior to utilizing these funds. Task 4 is an estimate depending on the complexity and number of claims submitted.

Considering the information provided, TPI respectfully propose the following regarding this amendment:

1. Issue Amendment No. 3 in the Not to Exceed Amount of $282,019.20 through December 31, 2026.
2. Hold in Contingency the Not to Exceed Amount of $108,492.80, to provide PV Water the flexibility to extend our services through June 2027, should that be desired by PV Water.

Attached please find a detailed breakdown of our proposed scope of work (Exhibit A) and a schedule of hours to continue providing our services to PV Water along with a corresponding budget (Exhibit B), including assumptions. This is based on assumptions and estimates currently known but subject to change based on resolutions pursued. Please contact me or John Mahoney with any questions regarding this information.

Sincerely,

Michael K. Jaeger, PE
Construction Manager
Tanner Pacific, Inc.

Attachments:
1. Exhibit A – Scope of Work
2. Exhibit B – Proposed Budget

Exhibit A - Scope of Work

Task 1: Project Management and Controls

Provide comprehensive project management to ensure that Tanner Pacific, Inc., support and manage completion of the subject scope of work in accordance with the terms and conditions of the Contract and this Scope of Work to ensure that the overall work is performed in a coordinated and effective manner, consistent with scope, schedule, and budget. This work includes:

- Attendance and participation at weekly and ad hoc meetings to discuss the project/status updates, including agendas and minutes as directed/where appropriate.
- Accessible web hosted file systems for each Project for use by PV Water, Carollo, Jacobs and Mountain Cascade. Hosted and managed by TPI staff.

Task 2: Construction Contract Administration

Provide coordination, documentation, and facilitation services during the course of the project in order to administer and monitor compliance with the contract. This includes the following scope items from TPI's original Scope of Work:

- Coordination
- Maintenance of communications between PV Water, Carollo, and Contractor
- Cost/Financial Management
- Change Management
- Request For Information (RFI) Management
- Submittal Coordination
- Commissioning, System Start-Up & Training Support
- Project Close Out

Task 3: Inspection Services

TPI will provide Inspection of Construction Work Product to monitor compliance with the construction contract and document progress.

- Provide field observation services to monitor compliance with Contract
- Documents.

- Prepare a daily observation report documenting all field activities, field crews, Contractor equipment, and field problems.
- Maintain the database, implemented by Tanner Pacific, for daily observation reports and photographs.
- Provide photographic documentation of The Project during construction and maintain photographs of field activities for status monitoring of the project.
- Assess and resolve minor construction issues in the field where possible.
- Inform project management team of major issues, concerns or problems immediately to allow for proper assessment and evaluation.
- Review contractor Daily Extra Work Reports when a Field Order is issued or when a contractor notifies TPI that the contractor believes the work being performed is outside the requirements of the project documents.
- Assist in the review of the contractor's pay request by confirming completed work percentages, bid items, etc.
- NOTE: Tanner Pacific does not perform Labor Compliance Reviews in the field or in the office.

Task 4: Claims Assistance

TPI will provide support to PV Water, as directed/as requested during the preparation, evaluation, and administration of any claims on the project. Scope may include:

- Attendance and participation in regular and ad hoc meetings to review claim/potential claim status and progress.
- Provide supporting information, documentation, and recommendations for next steps.
- Forensic review of project records to provide data, photos, or other information, as directed.

Clarifications & Options:

- Invoicing to be performed on a Time and Materials basis, based on an initial not to exceed budget and rates outlined in Exhibit B.
- TPI is not obligated to provide services or deliverables not explicitly listed within this Scope of Work. Should PV Water desire to have TPI provide additional services outside

the scope of work, budget, and/or beyond the period of performance, a separate scope of work and budget will be mutually developed and contractually executed by Contract Amendment.

- Other Direct Costs (ODC's) to be invoiced at cost plus 10% markup. ODC's require approval prior to incurring expenditure.
- Contractual, Technical, administrative code and other project-specific related information to be provided by others.

Proposed Schedule to complete PVWMA College Lake Integrated Resource Management Project (Project No. 30-39-501 & No. 30-39-502)

Personnel/ Service		July-26	Aug-26	Sept-26	Oct-26	Nov-26	Dec-26	2026 Total Hours
Task 1: Project Management & Controls								
	Construction Manager - Mike Jaeger	18	18					36
	Claims Specialist - John Mahoney							0
	Construction Manager - Jonathan Tristao							0
	Resident Engineer - David Tellefsen	28	28					56
	Project Engineer - Tri Vo							0
Task 2: Construction Contract Administration								
	Construction Manager - Mike Jaeger			24	24	24	24	96
	Claims Specialist - John Mahoney							0
	Construction Manager - Jonathan Tristao			10	10	10	10	40
	Resident Engineer - David Tellefsen			35	35	35	35	140
	Project Engineer - Tri Vo	10	10	15	15	15	15	80
Task 3 : Inspection Services								
	Inspector	40	40	40	40	40	40	240
Task 4: Claims Assistance								
	Construction Manager - Mike Jaeger			20	20	20	20	80
	Claims Specialist - John Mahoney			20	20	20	20	80
	Construction Manager - Jonathan Tristao			20	20	20	20	80
	Resident Engineer - David Tellefsen			20	20	20	20	80
	Project Engineer - Tri Vo			5	5	5	5	20

Construction Manager - Mike Jaeger	18	18	44	44	44	44	212
Claims Specialist - John Mahoney	0	0	20	20	20	20	80
Construction Manager - Jonathan Tristao	0	0	30	30	30	30	120
Resident Engineer - David Tellefsen	28	28	55	55	55	55	276
Project Engineer - Tri Vo	10	10	20	20	20	20	100
Inspector	40	40	40	40	40	40	240

Notes and Assumptions:

1. This budget is for the proposed time frame of July 1, 2026 - December 31, 2026
2. Schedule of hours is based on managing the staff to provide PV Water flexibility to support closeout and claims.
3. The proposed budget is based on a 6 month time frame.
4. Inspector hourly rate is subject to California prevailing wage.
5. Budget is based on continuing to make site visits as requested by PV Water and remote work.
6. Labor hours and budget for 2026 for Claims Assistance should assistance be needed by PV Water. This will only be used once written authorization is provided by PVWMA.

Proposed Fee - PVWMA College Lake Integrated Resource Management Project (Project No. 30-39-501 & No. 30-39-502)

		June 1 - December 31, 2026			January 1 - June 30, 2027		
Scope	Labor Categories	Est. Hours	Hourly Rate	Extended Rate	Est. Hours	Hourly Rate	Extended Rate
Task 1: Project Management & Controls							
	Construction Manager - Mike Jaeger	36	$ 312.00	$ 11,232.00	16	$ 312.00	$ 4,992.00
	Construction Manager - Jonathan Tristao		$ 291.20	$ -		$ 291.20	$ -
	Resident Engineer - David Tellefsen	56	$ 291.20	$ 16,307.20	24	$ 291.20	$ 6,988.80
	Project Engineer - Tri Vo		$ 165.00	$ -		$ 165.00	$ -
Task 2: Construction Contract Administration							
	Construction Manager - Mike Jaeger	96	$ 312.00	$ 29,952.00		$ 312.00	$ -
	Claims Specialist - John Mahoney		$ 312.00	$ -		$ 312.00	$ -
	Construction Manager - Jonathan Tristao	40	$ 291.20	$ 11,648.00		$ 291.20	$ -
	Resident Engineer - David Tellefsen	140	$ 291.20	$ 40,768.00		$ 291.20	$ -
	Project Engineer - Tri Vo	80	$ 165.00	$ 13,200.00		$ 165.00	$ -
Task 3: Inspection Services							
	Construction Inspector	240	$ 240.00	$ 57,600.00		$ 240.00	$ -
	TPI Labor Totals						
	Sub-Consultants						
	None			$ -			$ -
			Subtotal	**$ 180,707.20**		**Subtotal**	**$ 11,980.80**
Task 4: Claims Assistance (Optional- Amount shown is for budgetary purposes)							
	Construction Manager - Mike Jaeger	80	$ 312.00	$ 24,960.00	80	$ 312.00	$ 24,960.00
	Claims Specialist - John Mahoney	80	$ 312.00	$ 24,960.00	80	$ 312.00	$ 24,960.00
	Construction Manager - Jonathan Tristao	80	$ 291.20	$ 23,296.00	80	$ 291.20	$ 23,296.00
	Construction Inspector	20	$ 240.00	$ 4,800.00			
	Resident Engineer - David Tellefsen	80	$ 291.20	$ 23,296.00	80	$ 291.20	$ 23,296.00
			Subtotal	**$ 101,312.00**		**Subtotal**	**$ 96,512.00**

TPI Labor Total		$ 180,707.20	TPI Labor Total		$ 11,980.80
TPI Optional Claims Assistance		$ 101,312.00	TPI Claims Assistance		$ 96,512.00
Subconsultant Labor Subtotal		$ -	Subconsultant Labor Subtotal		$ -
Mark Up (5%)		$ -	Mark Up (5%)		$ -
Subconsultant Labor Total		$ -	Subconsultant Labor Total		$ -
ODC's			ODC's		
	Inspection Vehicles	$ -		Inspection Vehicles	$ -
	Subtotal ODC's	$ -		Subtotal ODC's	$ -
Total Proposal for 2026		**$ 282,019.20**	**Total Proposal for 2027**		**$ 108,492.80**

Current Balance as of 5/31/2026: $ 33,117.44

Amendment Amount to 12/31/2026: $ 282,019.20

Notes and Assumptions:

1. This budget is for the proposed time frame of July 1, 2026 - June 30, 2027, with 2027 being unknown if needed at this time.
2. Schedule of hours is based on managing the staff according to the possible repairs and extended testing of the WTP and additional claim support.
3. Inspectors hourly rates are subject to California prevailing wage.
4. Labor hours and budget for 2027 are a contingency should work continue beyond 2026. This will only be used once written authorization is provided by PVWMA.

Proposed Schedule to complete PVWMA College Lake Integrated Resource Management Project (Project No. 30-39-501 & No. 30-39-502)

Personnel/ Service		July-26	Aug-26	Sept-26	Oct-26	Nov-26	Dec-26	2026 Total Hours
Task 1: Project Management & Controls								
	Construction Manager - Mike Jaeger	24	24					48
	Claims Specialist - John Mahoney							0
	Construction Manager - Jonathan Tristao							0
	Resident Engineer - David Tellefsen	48	48					96
	Project Engineer - Tri Vo							0
Task 2: Construction Contract Administration								
	Construction Manager - Mike Jaeger			32	32	32	32	128
	Claims Specialist - John Mahoney							0
	Construction Manager - Jonathan Tristao			15	15	15	15	60
	Resident Engineer - David Tellefsen			45	45	45	45	180
	Project Engineer - Tri Vo	16	16	17	17	17	17	100
Task 3 : Inspection Services								
	Inspector	54	54	54	54	54	54	324
Task 4: Claims Assistance								
	Construction Manager - Mike Jaeger			20	20	20	20	80
	Claims Specialist - John Mahoney			20	20	20	20	80
	Construction Manager - Jonathan Tristao			20	20	20	20	80
	Resident Engineer - David Tellefsen			20	20	20	20	80
	Project Engineer - Tri Vo			5	5	5	5	20

Construction Manager - Mike Jaeger	24	24	52	52	52	52	256
Claims Specialist - John Mahoney	0	0	20	20	20	20	80
Construction Manager - Jonathan Tristao	0	0	35	35	35	35	140
Resident Engineer - David Tellefsen	48	48	65	65	65	65	356
Project Engineer - Tri Vo	16	16	22	22	22	22	120
Inspector	54	54	54	54	54	54	324

Notes and Assumptions:

1. This budget is for the proposed time frame of July 1, 2026 - December 31, 2026
2. Schedule of hours is based on managing the staff to provide PV Water flexibility to support closeout and claims.
3. The proposed budget is based on a 6 month time frame.
4. Inspector hourly rate is subject to California prevailing wage.
5. Budget is based on continuing to make site visits as requested by PV Water and remote work.
6. Labor hours and budget for 2026 for Claims Assistance should assistance be needed by PV Water. This will only be used once written authorization is provided by PVWMA.

Proposed Fee - PVWMA College Lake Integrated Resource Management Project (Project No. 30-39-501 & No. 30-39-502)

		June 1 - December 31, 2026			January 1 - June 30, 2027		
Scope	Labor Categories	Est. Hours	Hourly Rate	Extended Rate	Est. Hours	Hourly Rate	Extended Rate
Task 1: Project Management & Controls							
	Construction Manager - Mike Jaeger	48	$ 312.00	$ 14,976.00	32	$ 312.00	$ 9,984.00
	Construction Manager - Jonathan Tristao		$ 291.20	$ -		$ 291.20	$ -
	Resident Engineer - David Tellefsen	96	$ 291.20	$ 27,955.20	48	$ 291.20	$ 13,977.60
	Project Engineer - Tri Vo		$ 165.00	$ -		$ 165.00	$ -
Task 2: Construction Contract Administration							
	Construction Manager - Mike Jaeger	128	$ 312.00	$ 39,936.00		$ 312.00	$ -
	Claims Specialist - John Mahoney		$ 312.00	$ -		$ 312.00	$ -
	Construction Manager - Jonathan Tristao	60	$ 291.20	$ 17,472.00		$ 291.20	$ -
	Resident Engineer - David Tellefsen	180	$ 291.20	$ 52,416.00		$ 291.20	$ -
	Project Engineer - Tri Vo	100	$ 165.00	$ 16,500.00		$ 165.00	$ -
Task 3: Inspection Services							
	Construction Inspector	324	$ 240.00	$ 77,760.00		$ 240.00	$ -
	TPI Labor Totals						
	Sub-Consultants						
	None			$ -			$ -
			Subtotal	**$ 247,015.20**		**Subtotal**	**$ 23,961.60**
Task 4: Claims Assistance (Optional- Amount shown is for budgetary purposes)							
	Construction Manager - Mike Jaeger	80	$ 312.00	$ 24,960.00	80	$ 312.00	$ 24,960.00
	Claims Specialist - John Mahoney	80	$ 312.00	$ 24,960.00	80	$ 312.00	$ 24,960.00
	Construction Manager - Jonathan Tristao	80	$ 291.20	$ 23,296.00	80	$ 291.20	$ 23,296.00
	Construction Inspector	20	$ 240.00	$ 4,800.00			
	Resident Engineer - David Tellefsen	80	$ 291.20	$ 23,296.00	80	$ 291.20	$ 23,296.00
			Subtotal	**$ 101,312.00**		**Subtotal**	**$ 96,512.00**

TPI Labor Total		$ 247,015.20
TPI Optional Claims Assistance		$ 101,312.00
Subconsultant Labor Subtotal		$ -
Mark Up (5%)		$ -
Subconsultant Labor Total		$ -
ODC's		
	Inspection Vehicles	$ -
	Subtotal ODC's	$ -
Total Proposal for 2026		**$ 348,327.20**

TPI Labor Total		$ 23,961.60
TPI Claims Assistance		$ 96,512.00
Subconsultant Labor Subtotal		$ -
Mark Up (5%)		$ -
Subconsultant Labor Total		$ -
ODC's		
	Inspection Vehicles	$ -
	Subtotal ODC's	$ -
Total Proposal for 2027		**$ 120,473.60**

Current Balance as of 5/31/2026: $ 33,117.44

Amendment Amount to 12/31/2026: $ 348,327.20

Notes and Assumptions:

1. This budget is for the proposed time frame of July 1, 2026 - June 30, 2027, with 2027 being unknown if needed at this time.
2. Schedule of hours is based on managing the staff according to the possible repairs and extended testing of the WTP and additional claim support.
3. Inspectors hourly rates are subject to California prevailing wage.
4. Labor hours and budget for 2027 are a contingency should work continue beyond 2026. This will only be used once written authorization is provided by PVWMA.

MEMORANDUM

DATE: July 3, 2026
MEETING OF: July 7, 2026
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 9:** Consider Amendment to Agreement with Telstar Instruments for Radio Communications Evaluation & Upgrade in an Amount not to Exceed $33,793 through September 30, 2026

INTRODUCTION

PV Water's radio communication's system links critical remote facilities, including Harkins Slough Pump Station and Supplemental Well No. 2 (aka Blend Well No. 2), to the PV Water's headquarters for SCADA monitoring and control. Recently, radio signal strength has significantly degraded, likely a result of new obstructions to line-of-sight paths, including the apartment building under construction on Main Street. Over the longer term, tree growth could also be obstructing the line-of-site. In addition, the radios in use rely on now obsolete, 20+ year old technology. To resolve this issue, staff propose to work with PV Water's long time SCADA Integrator, Telstar Instruments (Telstar), to perform testing and then upgrade relevant radios and antennas.

DISCUSSION

Reliable radio communications are essential for the safe and reliable operation of PV Water's facilities; delayed or lost signals between remote pump stations and the Headquarters increase the risk of undesirable and potentially unsafe conditions (i.e., extreme pressure events). Given this urgent operational risk, and under the General Manager's signing authority, PV Water sent an agreement to Telstar on June 26, 2026, in an amount not to exceed $23,129, to conduct a radio survey in order to evaluate the radio communications system, produce a report, and if applicable, upgrade radio hardware.

Telstar was onsite on June 30, 2026, during which time they surveyed the signal strength at key sites and replaced a faulty antenna at Harkins Slough Pump Station. Staff and Telstar are continuing to evaluate possible long-term solutions which, based on the findings of June 30th, may include raising antenna heights and/or incorporating cellular communication at certain sites. Additional work to resolve the communications issue is described in the attached scope of work. While the final solution is not yet known, staff is asking the Board to consider approval an amendment with Telstar that would increase the total budget to $56,922. Staff would provide Telstar written authorization to proceed with the desired solution, once determined.

FISCAL IMPACT

The fiscal impact of the agreement and first amendment is not to exceed $56,922.

RECOMMENDATION

The Committee review scope of work from Telstar Instruments for radio communications repairs and consider making a recommendation to the Board of Directors that the Board approve the Agreement.

ATTACHMENTS

- Scope of Work

CONTROL SYSTEM INTEGRATION • INSTRUMENTATION SERVICES
SCADA/AUTOMATION • PLC/HMI • ELECTRICAL • CALIBRATION • MAINTENANCE

June 30, 2026

PVWMA
36 Brennan St
Watsonville CA, 95706
Sent via Email: Shinehah Bigham<Bigham@pvwater.org>

Attn: Shinehah Bigham
Subject: Radio Replacement
Reference: 30-45987 R2

Dear Shinehah,

Telstar Instruments ("Telstar") is pleased to provide a quote for the referenced project to the above identified purchaser ("Customer"). This estimate is broken down into 3 parts. The first part included upgrading the radios to latest technology and raising the antennas to improve line of sight for better quality radio signal. The Second part, is the addition of a cell radio connection to the remote sites utilizing the existing master cell radio at the main office. The third part, is the cost to setup the existing cell radios and test the quality of a cell radio connection to RTU1 and the main office.

SCOPE OF SUPPLY / SERVICES

Radio upgrade and antenna modifications

1. Upgrade of the radios and antennas at the main office, Harkins Slough, and Blend Well 2.
2. Installation of a new 50 ft push up antenna with guy wires on the roof of the main office.
3. Raising the antenna at Blend Well 2 by 10ft.
4. Set up and testing of the new radios at Telstar office.
5. Radio system field evaluation and test. $35,185.00

Estimated schedule to complete the work:

- Materials 2 to 3 weeks. $18,860.00
- Installation 1 to 2 weeks. $16,325.00

Labor estimates

- Sr Engineer 8 hrs @ $253/hr
- Electrician 16 hrs @ $214/hr Apprentice 16 hrs @ $191/hr
- Programmer 4 hrs @ $ 228/hr
- Travel 4 hrs/day + vehicle/tools/test equipment 280/day + fuel surcharge

Cell radio connections and antenna modifications

1. Installation of new cell radio and antenna at Harkins Slough and Blend Well 2.
2. Setup and configuration of new cell radios and test at Telstar office.
3. SCADA communications migration from serial radio to the new cell radios.
4. Radio system configuration and testing. $15,702.00

Estimated schedule to complete the work:

- Materials 2 to 3 weeks. $4,847.00
- Installation 1 to 2 weeks. $10,855.00

Labor estimates

- Sr Engineer 4 hrs @ $253/hr
- Electrician 8 hrs @ $214/hr Apprentice 8 hrs @ $191/hr
- Programmer 8 hrs @ $ 228/hr
- Travel 4 hrs/day + vehicle/tools/test equipment 280/day + fuel surcharge

Cell radio communications test

1. Setup and testing of existing cell radios at Telstar office. (Existing cell radios to be provided by PVWMA)
2. Installation of test radio at Harkins Slough
3. SCADA communication migration from serial radio at Harkins Slough.
4. Radio system configuration and testing. $6,035.00

Estimated schedule to complete the work:

- Materials 1 weeks. $1.926.00
- Installation 1 to 2 weeks. $4,109.00

Labor estimates

- Electrician 4 hrs @ $214/hr Apprentice 4 hrs @ $191/hr
- Programmer 4 hrs @ $ 228/hr
- Travel 4 hrs/day + vehicle/tools/test equipment 280/day + fuel surcharge

Time and Materials Estimate for this Scope $56,922.00
Shipping and Handling for Telstar Supplied Materials IS INCLUDED
Sales Tax IS INCLUDED

This quotation is based on Customer's representation that this IS a prevailing wage project.

CLARIFICATIONS, EXCEPTIONS, AND EXCLUSIONS

a. Any radio antenna installation permits that are needed will be coordinated and submitted by PVWMA.
b. Cell radios used for the communications test provided by PVWMA.

c. Material price is valid for seven (7) days from date referenced on this quote (Refer to Industry Material Pricing and Delivery clause under Terms and Conditions)

d. This quotation is based on the inclusion of Telstar's standard Terms and Conditions as part of any purchase order, contract or other agreement.

e. Telstar's quotation includes only those items listed above. Requests for additions/deletions from our scope will require a change in the quoted price.

f. Telstar assumes no responsibility for performance, applicability, compatibility, start-up, testing, or acceptance of any equipment not furnished by Telstar under this proposal.

g. Please reference the above stated quote number in all correspondence and purchase orders.

h. A fee of 2% will be applied to all invoices paid by credit card.

TERMS AND CONDITIONS

Base Terms: The attached Quotation is valid for 30 days from the date of Telstar Instruments' ("Telstar") quotation. Acceptance of Telstar's Quotation constitutes a binding Agreement incorporating these Terms and Conditions ("Agreement"). Payment is due and payable 30 days from date of invoice. If payment is not received by the 30th day, a .05% daily service charge (18-3/4% per annum) will be charged on all accounts past due. In the event of a dispute concerning payment, attorney's fees, court costs and costs of collection will be paid to the prevailing party. The cost for permits and bonding are excluded unless expressly referenced in Telstar's quotation. Our standard insurance applies unless agreed to in writing by Telstar. Telstar's standard one year parts only warranty applies to this quotation. All other warranties, express or implied, or referenced elsewhere in contract documents are excluded, including but not limited to implied warranties of merchantability or fitness for purpose. Unless expressly stated in Telstar's estimate, this quote is based on standard straight time hours and does not include any prevailing wage rates. The price quoted herein is for the labor and materials specifically listed within the body of this quote. Overtime and premium labor hours are not included in the quotation, and will result in an additional charge. Service calls are charged at a 4-hour minimum per person, excluding travel time, which is charged separately. Unless expressly stated in the Quotation, training, operation and maintenance manuals, and preparation of as built drawings are excluded from Telstar's scope of work. The term "Equipment" and "Services" as used in these Terms and Conditions refers to the materials and labor provided by Telstar under this Agreement.

Limitation of Liability: (a) In no event shall Telstar, its suppliers or subcontractors be liable for special, indirect, incidental or consequential damages, whether in contract, warranty, tort, negligence, strict liability or otherwise, including, but not limited to, loss of profits or revenue, loss of use of Equipment or any associated equipment, cost of capital, cost of substitute equipment, facilities or Services, downtime costs, delays, or claims of customers of Customer, their officers, directors, members employees or any third parties for any damages. Telstar's liability for any claim, whether in contract, warranty, tort, negligence, strict liability, or otherwise for any loss or damage arising out of, connected with, or resulting from this Agreement or the performance or breach thereof, or from the design, manufacture, sale, delivery, resale, repair, replacement, installation, technical direction of installation, inspection, operation or use of any Equipment covered by or furnished under this Agreement, or from any services rendered in connection therewith, shall in no case exceed twenty-five percent (25%) of the purchase price allocable to the Equipment or Services that are the subject of the claim. (b) All causes of action against Telstar arising out of or relating to this Agreement, or the performance or breach hereof shall be deemed barred unless brought within one year from the date of discovery or other accrual. (c) In no event, regardless of cause, shall Telstar be liable for liquidated damages, offsets or penalties of any kind or to indemnify, defend or hold harmless Customer, its officers, directors, members, employees or any third party, arising from or related to the Equipment and/or Services provided by Telstar.

Force Majeure: Telstar shall neither be liable for loss, damage, detention or delay nor be deemed to be in default for failure to perform when prevented from doing so by causes beyond its reasonable control including but not limited to acts of war (declared or undeclared), Acts of God, fire, strike, labor difficulties, pandemic, acts or omissions of any governmental authority or of Customer, compliance with government regulations, insurrection or riot,

embargo, delays or shortages in transportation or inability to obtain necessary labor, materials, or manufacturing facilities from usual sources or from defects or delays in the performance of its suppliers or subcontractors due to any of the foregoing. In the event of delay due to any such cause, the date of delivery will be extended by period equal to the delay plus a reasonable time to resume production, and the price will be adjusted to compensate Telstar for such delay.

Cancellation: In the event of cancellation by Customer, Customer agrees to fully reimburse and compensate Telstar for all costs associated with this Agreement, including but not limited to engineering, labor, materials, quote and estimating time, and product return fees, plus a ten percent (10%) markup to compensate for disruption in scheduling, planned production, indirect costs and profit. Payment for cancellation shall be due within ten (10) days from the date of submission of charges by Telstar.

Entire Agreement: This Agreement constitutes the entire agreement between Telstar and Customer. There are no agreements, understandings, restrictions, warranties, or representations between Telstar and Customer other than those set forth herein or herein provided. This Agreement may only be amended, changed or revised by a written amendment signed by an authorized representative of Telstar. No oral or implied agreements shall be of any force or affect.

Precedence: In the event Telstar is issued an authorization for work, Purchase Order, Contract or similar Agreement with conflicting Terms and Conditions than those set forth herein, these Terms and Conditions will take precedence and will supersede any and all other conflicting Terms and Conditions.

Submittals: In the event Telstar receives a Notice to Proceed or a written statement to proceed with submittals, Telstar will be entitled to compensation based on percent of completion of submittal cost to Customer. Telstar will prepare only one set of submittals, and any resubmittals shall be subject to an additional charge for engineering time and other costs in preparing re-submittals.

Prevailing Wages: Customer must promptly inform Telstar when a project will be registered on the Department of Industrial Relations. Customer must inform Telstar if Certified Payroll Reports are required to be submitted to Customer. If Customer requests Certified Payroll Reports beyond four weeks in arrears, Customer may be charged an administrative processing fee of $50.00 per week generated for said reports.

Authorized Signers: Only the following officers of Telstar have the legal authority to enter into binding agreements on behalf of Telstar: John D. Gardiner (President), Kyle A. Johnsen (Vice President), Robert S. Marston (Secretary), Benjamin R. Herston (Treasurer). If a document is signed by an unauthorized person, the document will be void and unenforceable.

Industry Material Pricing and Delivery: Telstar is unable to hold prices on materials for more than 7 days from the dates of the Quotation. Prices for plastic, copper, steel, and other commodities fluctuate daily. Our vendors and manufacturers can experience delays due to labor shortages, shortage of containers, port congestion, and raw material shortages that have extended lead times significantly. Material price fluctuations due to tariffs are not included in the quotation and may not be known until time of material shipment. Additional material costs associated with tariffs will be paid by the customer. Telstar reserves the right to change the delivery date and pricing of materials set forth in this Quotation. Telstar considers any of the above related changes imposed by our vendors and manufacturers as outside its reasonable control and subject to Force Majeure provisions.

Insurance: Telstar's standard insurance limits will apply.

Open Shop: Telstar is an Open Shop contractor and will not be signatory to any unions.

Governing Law: This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

Waiver: The failure of Telstar to insist upon the performance of any term or condition of this Agreement shall not be construed as a waiver of the future performance of any such term or condition or the future exercise of such right.

Severability: If any term of this Agreement is determined to be invalid or unenforceable under any applicable statute, regulation, ordinance, or other law, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such law, and the remaining portions of this Purchase Order shall remain in full force and effect.

Dispute Resolution: In the event of any dispute arising from or relating to this Agreement, the parties agree to engage in informal efforts toward resolution by meeting in person. If such efforts are unsuccessful, the parties agree to submit the dispute to mediation with a neutral mediator for resolution, with the parties sharing the costs of such

mediation equally. If the parties are unsuccessful in resolving their dispute, then the dispute shall be subject to litigation. If the dispute involves a public entity Owner, then the parties shall comply with the requirements of Public Contract Code section 9204.

We look forward to working with you on this project. If you have any questions, please contact me at the phone number below.

Sincerely,

James Harper
Senior Project Manager/Engineer
Telstar Instruments
(916) 646-1999
Jharper@telstarinc.com

MEMORANDUM

DATE: July 3, 2026
MEETING OF: July 7, 2026
TO: Administration & Finance Committee
FROM: General Manager
RE: **ITEM 10:** Consider Purchase of a Forklift in an Amount Not to Exceed $45,000

INTRODUCTION

PV Water's Operations Staff needs a forklift to move pallets of equipment and materials safely around the warehouse at the Field Office and at the College Lake Integrated Resources Project.

DISCUSSION

Historically, PV Water staff had pallets shipped to the City of Watsonville's Public Works' yard where contractors would retrieve items, like valves, for use in PV Water's projects. At the time, PV Water had no direct control over receiving, storage, or security of its equipment. City staff provided some storage space as a courtesy to PV Water.

With the acquisition of the warehouse at the Field Office, and the construction of the College Lake Project, PV Water now directly receives shipments and has a location to store equipment. However, a forklift is required to move heavy pallets. For instance, the College Lake Project requires regular deliveries of microsand pallets up to 3,000 lbs, and polymer totes up to 2,300 lbs. PV Water's consulting engineers recommend a forklift with pneumatic tires and a 5,000 lb lifting capacity for moving equipment and materials across both paved and unpaved surfaces.

Staff obtained nine quotes for a combination of new and used forklifts in June. The average price was approximately $32,000.

Company	Date Called	Unit	Price	Notes
Pape	6/5/2026	H50XT	$32,995	New
JM	6/5/2026	Clark s25	$32,400	New: 5,000 lbs
JM	6/5/2026	Nissan Unicarrier PF60LP	$13,270	Used: 10,234 hours
JM	6/5/2026	Nissan Unicarrier PF60LP	$15,870	Used: 8,050 hours
JM	6/5/2026	Clark s30	$34,200	New: 6,000 lbs
Toyota	6/15/2026	Toyota 8FGU30	$48,729	New: 6,000 lbs
Toyota	6/15/2026	Toyota 8FGU30	$30,900	Used: 6,000 lbs
Toyota	6/15/2026	Toyota 8FGU25	$43,590	New: 5,000 lbs
Toyota	6/15/2026	Toyota 8FGU25	$29,900	Used: 5,000 lbs

FISCAL IMPACT

The fiscal impact of the purchase would not exceed $45,000.

RECOMMENDATION

The Committee considers making a recommendation to the Board.

ATTACHMENTS

- None

PAJARO VALLEY WATER MANAGEMENT AGENCY

Account Activity Report per Bank Statement

	Date	Deposits	Withdrawals	Balance
CLEARING ACCOUNT - Mechanics				
Beginning Balance	5/1/2026			$269,912
Cash Receipts		0		
Disbursements			760,302	
Transfers		764,575		
Bank Fees				
Ending Balance	5/31/2026			$274,185
GENERAL FUND10-MMA Mechanics				
Beginning Balance	5/1/2026			$2,189,819
Cash Receipts		2,002		
Transfers		134,406	7,985	
Interest Earned		6,548		
Bank Fees				
Ending Balance	5/31/2026			$2,324,789
GENERAL FUND 10 - LAIF				
Beginning Balance	5/1/2026			$2,526,102
Transfers				
Interest Earned				
Ending Balance	5/31/2026			$2,526,102
GENERAL FUND 20 - LAIF				
Beginning Balance	5/1/2026			$9,275,909
Transfers				
Interest Earned				
Ending Balance	5/31/2026			$9,275,909
SPECIAL REVENUE FUND 20-ACH Clearing Acct Mechanics				
Beginning Balance	5/1/2026			$0
Cash Receipts		162,715		
Sweep/Transfers			162,715	
Disbursments/ACH-Wire				
Bank Fees				
Ending Balance	5/31/2026			$0
SPECIAL REVENUE FUND 20-Operating Mechanics				
Beginning Balance	5/1/2026			$15,981
Cash Receipts		922,441		
Transfers		28,310	911,590	
Disbursments/ACH-Wire			32,558	
Bank Fees			290	
Interest Earned				
Ending Balance	5/31/2026			$22,293
SPECIAL REVENUE Fund 20 Cash Mgmt-FUND20MMN Mechanics				
Beginning Balance	5/1/2026			$15,409,382
Transfers		700,000	545,000	
Disbursments/ACH-Wire				
Bank Fees				
Interest Earned		46,243		
Ending Balance	5/31/2026			$15,610,625
Certificate of Deposit - DWR Loan Reserve Mechanics Fund 40				
Beginning Balance	5/1/2026			$290,869
Interest Earned		717.21		
Ending Balance	5/31/2026			$291,586
Certificate of Deposit - SRF-D1501023				
Beginning Balance	5/1/2026			$85,232
Transfers				
Interest Earned				
Ending Balance	5/31/2026			$85,232

Prior Month Ending Cash Balance:	Total Deposits:	Total Withdrawals:	Month End Cash Balance:
30,063,206	2,767,957	2,420,441	30,410,722
Cash Transfers	1,627,290	1,627,290	-
Actual Cash Receipts/Disbursements	1,140,666	793,151	

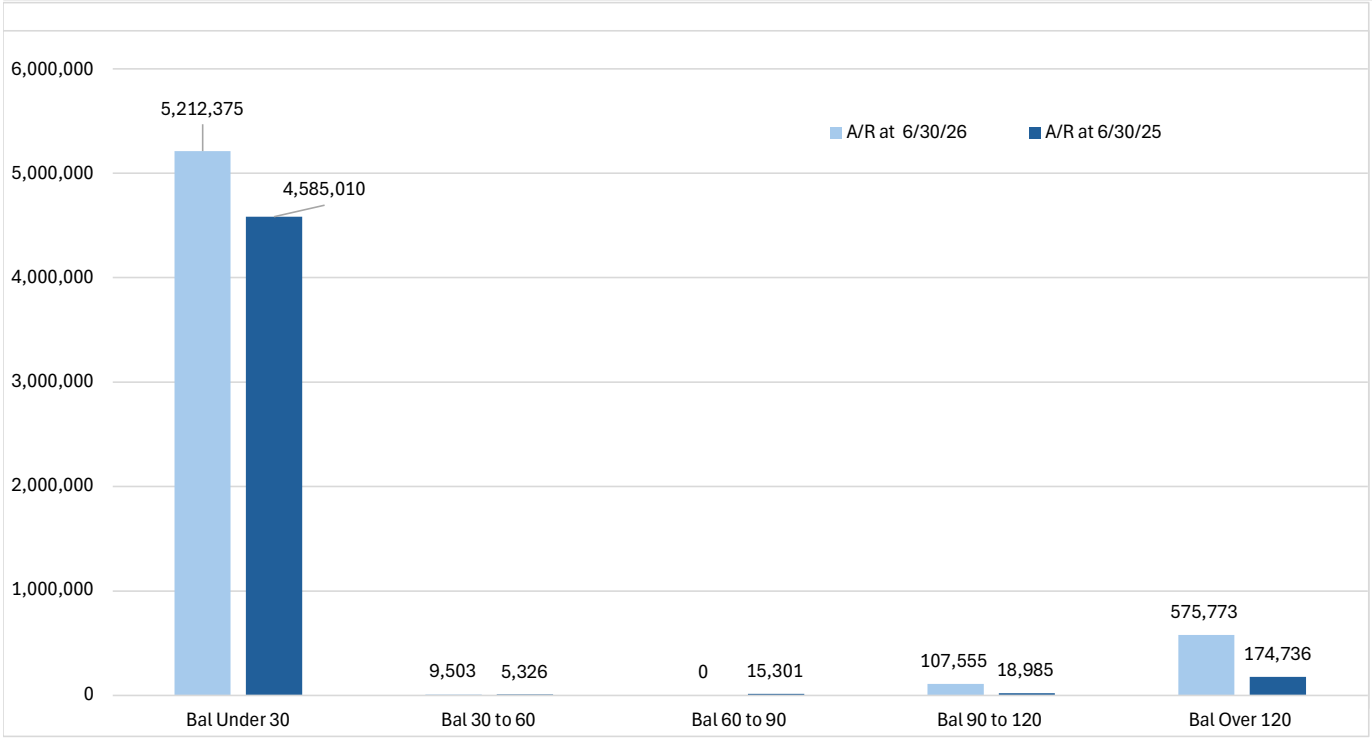
PAJARO VALLEY WATER MANAGEMENT AGENCY
INVESTMENT REPORT
ALL FUNDS
May 31, 2026

Description	Current Yield	Investment	% of Total Portfolio	Weighted Yield
Mechanics Clearing Account	0.00%	**$274,185**	0.90%	0.00%
General Fund 10				
Mechanics General Fund 10 Money Market Account	3.74%	2,324,789	7.64%	0.29%
Local Agency Investment Fund	3.98%	2,526,102	8.31%	0.33%
		$4,850,891		
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%	22,293	0.07%	0.00%
Mechanics Special Revenue Fund 20 Money Market Account	3.74%	15,610,625	51.33%	1.92%
Local Agency Investment Fund	3.98%	9,275,909	30.50%	1.21%
		$24,908,828		
Long Term Debt Fund 40				
Mechanics Certificate of Deposit DWR Loan Reserve	3.00%	$291,586	0.96%	0.03%
Mechanics Certificate of Deposit SRF-D1501023	3.00%	$85,232	0.28%	0.01%
		376,818		
	Total:	**$30,410,722**	**100.0%**	

Total Funds Reserved	376,818
Total Funds Invested	29,737,426
Total Funds Non-Interest Bearing	296,479
Total Funds	**$30,410,722**
Total Available Funds	30,033,904
Cash Reserve Policy Requirements (PV Water)	7,360,000
Surplus (Deficit) of Funds	**$22,673,904**

PV Water
Accounts Receivable Aging 3 Month Trend
As of 6/30/2026

	Balance Forward	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Accounts Receivable before credits	5,905,207	5,212,375	9,503	0	107,555	575,773
Credits	(3,818)					
Total Accounts Receivable at 6/30/26	5,901,389					
Accounts Receivable before credits	4,799,357	4,585,010	5,326	15,301	18,985	174,736
Credits	(7,358)					
Total Accounts Receivable at 6/30/25	4,791,999					
Accounts Receivable before credits	824,433	29,836	0	145,071	8,219	641,308
Credits	(28,498)					
Total Accounts Receivable at 5/31/26	795,935					
Accounts Receivable before credits	1,452,787	0	636,070	10,838	17	805,863
Credits	(15,880)					
Total Accounts Receivable at 4/30/26	1,436,906					



Accounts Payable

Checks by Date - Detail by Check Date

User: Priscilla
Printed: 6/29/2026 11:30 AM

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
ACH	M1872	MICROSOFT	06/11/2026	
	G163555067	IT-Online Hydrology 365 Support for 5/1 - 5/31/26		15.00
			Total for this ACH Check for Vendor M1872:	15.00
ACH	Y130	YSI INCORPORATED. A XYLEM BRAND	06/11/2026	
	1210405	Cond. Calibrator Solution for 5/26		211.94
			Total for this ACH Check for Vendor Y130:	211.94
46816	A190	ACE HARDWARE OF WATSONVILLE INC	06/11/2026	
	244249-43458	CDS/Meters/Hydro Supplies for 5/26		113.91
			Total for Check Number 46816:	113.91
46817	A829	ALSOP & MULLER	06/11/2026	
	PINV-00232	Preventive Maint. for HS Pumps for 6/26		372.55
	PINV-00290	Removal of SW1 Pump & Piping for 6/26		11,148.85
			Total for Check Number 46817:	11,521.40
46818	B200	MARY BANNISTER	06/11/2026	
	REIMB-ACWA	Reimb./ACWA Conf. Hotel for 5/26		588.64
			Total for Check Number 46818:	588.64
46819	C103	CBEC ECO ENGINEERING LLP	06/11/2026	
	50922	CL Hydrologic & Water Q Mon./WY2025/2026 for 4/25 - 5/22/26		6,240.00
			Total for Check Number 46819:	6,240.00
46820	E500	ENVIRONMENTAL SCIENCE ASSOCIATES	06/11/2026	
	219887	Updating OMW/CL/WSR Pipeline Project for 5/1 - 5/31/26		10,890.75
			Total for Check Number 46820:	10,890.75
46821	F199	C.J. BROWN & COMPANY CPAS	06/11/2026	
	052642	Progress Billing on Audit for FS for 5/26		9,217.00
			Total for Check Number 46821:	9,217.00
46822	F255	FLEXTG	06/11/2026	
	4665254-CAL	36 Brennan/Cont./CN37907-01/usage/BW & Clr for 5/1 - 6/1/26		191.48
	4666298-CAL	Upstairs/Cont#7483-01/usage/BW & Clr for 5/1 - 6/1/26		7.27
	4666529-CAL	76 Holohan/Cont#CN32691-01 usage/BW&Cl for 5/1 - 6/1/26		25.08
			Total for Check Number 46822:	223.83
46823	H127	HARBOR FREIGHT COMMERCIAL	06/11/2026	
	fd251574	CLP Field Supplies for 5/26		138.71
			Total for Check Number 46823:	138.71

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
46824	H99	HARBOR IT-LLC	06/11/2026	
	4025058	IT-Professional Support Holahan Office for 5/26		7,225.00
	4025936	IT-Contract Mo.Subs/Agreement MS-365 Bus.P.for 6/26		426.30
			Total for Check Number 46824:	7,651.30
46825	L563	BRIAN LOCKWOOD	06/11/2026	
	REIMB	Reimb./parking & toll for/CA Water Committee 5/26		18.50
	REIMB-MILEAGE	Reimb./mileage/parking/Spring Conference 5/26		263.40
			Total for Check Number 46825:	281.90
46826	M1010	MAGNOLIA GARDENING INC	06/11/2026	
	39643	76 Holohan Building Mo. Landscape Maint. for 5/26		475.00
	39688	36 Brennan Building Mo. Landscape Maint. for 5/26		100.00
			Total for Check Number 46826:	575.00
46827	M1086	MILLER MAXFIELD, INC.	06/11/2026	
	0526PV	S. Media Support/mtgs & Comm for 5/26		1,512.50
			Total for Check Number 46827:	1,512.50
46828	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	06/11/2026	
	260422-082	Water Samples CL-CLIRMP for 4/22/26		1,562.00
	260504-086	Water Samples CDS for 5/4/26		1,354.00
	260505-129	Water Samples CDS for 5/5/26		1,533.00
	260507-010	Water Samples Groundwater for 5/7/26		240.00
	260508-003	Water Samples Groundwater for 5/8/26		480.00
	260508-085	Water Samples Groundwater for 5/8/26		480.00
	260512-118	Water Samples ReNeM for 5/12/26		1,650.00
	260513-115	Water Samples Groundwater for 5/13/26		565.00
	260514-088	Water Samples Groundwater for 5/14/26		410.00
	260515-054	Water Samples Groundwater for 5/15/26		720.00
	260521-102	Water Samples CL-Surfacewater for 5/21/26		2,580.00
	260604-079	Water Samples CDS for 6/4/26		152.00
			Total for Check Number 46828:	11,726.00
46829	O217	OFFICE AND HOME CLEANING SERVICES	06/11/2026	
	3154	36 Brennan Mo. Office Housekeeping for 5/26		700.00
	3155	76 Holohan Mo. Housekeeping for 5/26		700.00
			Total for Check Number 46829:	1,400.00
46830	P180	PENINSULA MESSENGER LLC	06/11/2026	
	1478127	Monthly RaboBank Courier for 5/26		145.00
			Total for Check Number 46830:	145.00
46831	P400	PVI PAJARO VALLEY IRRIGATION, INC.	06/11/2026	
	INV200085120	CL Field Supplies/Testing for 5/26		62.56
	INV200085171	CL Field Supplies/Veolia Filter Filterability testing for 5/26		37.14
	INV200085203	CL Field Supplies/Intake Filter for 5/26		70.42
			Total for Check Number 46831:	170.12
46832	P800	PG & E	06/11/2026	
	3422109179-5	Service at 76-B Holohan Rd for 5/6 to 6/4/26		13,669.50
	6238266992-7	Service at 32 Holohan Rear for 5/6 to 6/4/26		925.97
			Total for Check Number 46832:	14,595.47

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
46833	R40	CARDMEMBER SERVICE	06/11/2026	
	MAY2026	Agency Credit Card Purchases		6,578.97
			Total for Check Number 46833:	6,578.97
46834	R790	ROYAL OAKS AUTO REPAIR INC	06/11/2026	
	66514	Veh. Maint. For Veh #11 (flat tire) for 6/26		25.00
			Total for Check Number 46834:	25.00
46835	S1405	SC FUELS INC	06/11/2026	
	1242945	Agency Vehicle Fuel for 5/26		392.12
			Total for Check Number 46835:	392.12
46836	S2875	STRATEGY DRIVER, INC	06/11/2026	
	1080	SDI Professional Rate Study Services for 5/26		4,262.50
			Total for Check Number 46836:	4,262.50
46837	U185	U.S. BANK EQUIPMENT FINANCE	06/11/2026	
	583811088	Cont#500-0753851-36 Brennan Copier for 5/30 to 6/30/26		175.85
	583811211	Contr#500-0703068 76 Holohan copier for 5/5 to 6/30/26		160.14
			Total for Check Number 46837:	335.99
46838	UB*00542	RUDY C & ESTHER H VASQUEZ	06/11/2026	
		Refund Check 001986-001, 65 SPRINGFIELD RD		19.44
			Total for Check Number 46838:	19.44
46839	UB*00728	CLAUDIA F DOSS	06/11/2026	
		Refund Check 024777-000, 687 CALABASAS RD		72.39
			Total for Check Number 46839:	72.39
46840	UB*00737	APTOS BERRY FARMS, INC	06/11/2026	
		Refund Check 025336-000, SAN JUAN RD		7,209.85
			Total for Check Number 46840:	7,209.85
46841	UB*00738	CALIFORNIA GIANT INC	06/11/2026	
		Refund Check 023781-000, TRAFTON RD		6,728.32
			Total for Check Number 46841:	6,728.32
46842	UB*00739	GEM PACK BERRIES, LLC	06/11/2026	
		Refund Check 025603-000, MAHER RD		4,858.19
			Total for Check Number 46842:	4,858.19
46843	V380	VERDANTAS INC.	06/11/2026	
	82011	CL Technical support for 4/25 - 5/22/26		15,581.25
			Total for Check Number 46843:	15,581.25
46844	Z125	ZANJERO, INC	06/11/2026	
	8092	MLRP/Partner Outreach & Action Items for 5/26		26,647.50
			Total for Check Number 46844:	26,647.50
			Total for 6/11/2026:	149,929.99

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
ACH	A1250	AFLAC- FLEX ONE	06/12/2026	
	EE Deferrals	EE PR Deferrals		819.13
			Total for this ACH Check for Vendor A1250:	819.13
ACH	A300	ACWA/JPIA	06/12/2026	
	Inv 0709497	EE PR Deferrals		39,584.84
			Total for this ACH Check for Vendor A300:	39,584.84
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	06/12/2026	
	EE Deferrals	EE PR Deferrals		8,887.60
			Total for this ACH Check for Vendor N125:	8,887.60
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	06/12/2026	
	EE Deferrals	ER/EE Retirement Contributions		13,292.70
	EE Retirement Contrib	EE PR Deferrals		2,382.34
			Total for this ACH Check for Vendor P1300:	15,675.04
ACH	P555	PVWMA-Cafeteria Account	06/12/2026	
	EE Deferrals	EE PR Deferrals		1,239.87
			Total for this ACH Check for Vendor P555:	1,239.87
			Total for 6/12/2026:	66,206.48
ACH	A1250	AFLAC- FLEX ONE	06/25/2026	
	EE Deferrals	EE PR Deferrals		819.13
			Total for this ACH Check for Vendor A1250:	819.13
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	06/25/2026	
	EE Deferrals	EE PR Deferrals		8,887.60
			Total for this ACH Check for Vendor N125:	8,887.60
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	06/25/2026	
	EE Deferrals	ER/EE Retirement Contributions		13,021.21
	EE Retirement Contrib	EE PR Deferrals		2,382.34
			Total for this ACH Check for Vendor P1300:	15,403.55
ACH	P555	PVWMA-Cafeteria Account	06/25/2026	
	EE Deferrals	EE PR Deferrals		1,239.87
			Total for this ACH Check for Vendor P555:	1,239.87
ACH	A351	ACWA/AUTO/JPIA	06/25/2026	
	787	ACWA JPIA Property Prg for 4/1/26 to 3/31/27	Member# P025	17,016.76
			Total for this ACH Check for Vendor A351:	17,016.76
ACH	C1099	CAROLLO ENGINEERS INC	06/25/2026	
	FB3574	PV WATER Cost of Service Study thru 5/31/26		27,615.50
	FB83556	CL Integrated Resources Mgmt Design (BMP) thru 5/31/26		20,870.00
	FB83659	BMP CL/WSR Prog. Mgmt Services Monthly Report thru 5/31/26		1,163.63
	FB83794	WSR System Projects Design thru 5/31/26		2,149.50
	FB83862	Supplemental Well#3 ESDC & CA&I thru 5/31/26		10,471.50
			Total for this ACH Check for Vendor C1099:	62,270.13

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
ACH	G330	GUTIERREZ CONSULTANTS, INC.	06/25/2026	
	2085	MBLRP/Multi-Bnfit Land Rep.Prg Grant for 5/4 - 5/31/26		10,730.00
	2086	DWR Watershed Resilience Grant for 5/4 - 5/31/26		296.00
			Total for this ACH Check for Vendor G330:	11,026.00
ACH	M1872	MICROSOFT	06/25/2026	
	E0400ZHFGC	IT-Online Hydrology 365 Support for 5/17 - 6/16/26		12.50
			Total for this ACH Check for Vendor M1872:	12.50
ACH	S2620	STATE WATER RESOURCES CONTROL BOARD-SWRCB	06/25/2026	
	D1501023	Fin/Agmnt/cont# D1501023 for Project#8072-120 for 6/26		76,206.06
			Total for this ACH Check for Vendor S2620:	76,206.06
ACH	S2865	SWCA ENVIRONMENTAL CONSULTANTS. INC.	06/25/2026	
	247154	CL Integrated Resources Mgmt Project for 5/1 - 5/31/26		1,681.28
			Total for this ACH Check for Vendor S2865:	1,681.28
ACH	T111	TANNER PACIFIC, INC	06/25/2026	
	226-193	CL WTP/Int. Res/Mgmt/TPI/Proj.582301.07 & 08 thru 4/30/26		3,551.60
	226-233	CL WTP/Int. Res/Mgmt/TPI/Proj.582301.07 & 08 thru 5/31/26		9,926.80
			Total for this ACH Check for Vendor T111:	13,478.40
ACH	T333	THE BANK OF NEW YORK MELLON TRUST CO.	06/25/2026	
	0252-26-0135144	PVWMA/acc#7848369897/trustee audit fee for 6/26 - 6/27		1,375.00
	0252-26-0139160	PVWMA/Ref#CT2346047/trustee audit fee for 6/26 - 6/27		1,750.00
			Total for this ACH Check for Vendor T333:	3,125.00
46845	A1005	A.L. LEASE CO. WHOLE SALE PLUMBING SUPPLIES	06/25/2026	
	190881	Field Supplies for 6/26		35.64
			Total for Check Number 46845:	35.64
46846	A850	AVAYA FINANCIAL SERVICES.	06/25/2026	
	49279701	Phone/VM Lease Agreement for 6/1 - 6/30/26		435.12
			Total for Check Number 46846:	435.12
46847	A910	ATCHINSON,BARISONE,CONDOTTI	06/25/2026	
	35110	General/CL/WSR/BOD Matters for 5/1 - 5/31/26		9,883.59
	35111	WSR Legal Services for 5/1 - 5/31/26		3,317.60
	35112	General Legal Matters for 5/1 - 5/31/26		2,414.30
			Total for Check Number 46847:	15,615.49
46848	C1580	SPECTRUM BUSINESS COMMUNICATIONS	06/25/2026	
	0124982062026	76 Holohan/Internet/Communication for 6/20 to 7/19/26		220.43
	0154296062326	36 Brennan Line & Internet Services for 6/23 to 7/22/26		692.08
			Total for Check Number 46848:	912.51
46849	F120	FREMONT BANK	06/25/2026	
	30-62-01R	Supplemental Well#3/ESCROW Proj.9813373 for 1/26 - 4/30/26		6,949.26
			Total for Check Number 46849:	6,949.26
46850	F360	FIRST ALARM, INC	06/25/2026	
	962880	Brennan & Holohan Qrtly Alarm Services for 7/1 - 9/31/26		1,518.93
			Total for Check Number 46850:	1,518.93

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
46851	G195	GREENWASTE RECOVERY LLC	06/25/2026	
	0008924615	76 Holohan/Garbage Services for 5/26		115.53
			Total for Check Number 46851:	115.53
46852	H1801	HUNT ORTMANN NIEVES DARLING MAH KLEIN & LOZANO INC	06/25/2026	
	118875	Professional Legal Services Acc#8344.002 for 5/26		5,922.50
			Total for Check Number 46852:	5,922.50
46853	L180	LAND TRUST SANTA CRUZ COUNTY	06/25/2026	
	MLRP REIMB	MLRP Rimbursement Pass Through for 6/26		274,690.01
			Total for Check Number 46853:	274,690.01
46854	M1050	MAGGIORA BROS. DRILLING INC.	06/25/2026	
	M26-066	Lipanovich Well Casing Liner/Pump Proj. Completed for 5/26		44,310.00
			Total for Check Number 46854:	44,310.00
46855	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	06/25/2026	
	260519-032	Water Samples Groundwater for 5/19/26		450.00
	260521-106	Water Samples Groundwater for 5/21/26		240.00
	260521-109	Water Samples CLIRMP for 5/21/26		1,512.00
	260527-113	Water Samples Groundwater for 5/27/26		240.00
	260529-052	Water Samples Groundwater for 5/29/26		120.00
	260602-061	Water Samples Groundwater for 6/2/26		360.00
	260610-088	Water Samples CDS for 6/10/26		84.00
	260617-107	Water Samples CDS for 6/17/26		34.00
			Total for Check Number 46855:	3,040.00
46856	O411	O'REILLY AUTO PARTS	06/25/2026	
	2912-267066	Field Supplies for 6/26		169.66
			Total for Check Number 46856:	169.66
46857	P210	PACIFIC INFRASTRUCTURE CORP	06/25/2026	
	30-62-01	Supplemental Well#3/Improvements/Job#205004 for 1/26 - 4/30/26		132,035.94
			Total for Check Number 46857:	132,035.94
46858	P300	PAJARO VALLEY CHAMBER OF COMMERCE	06/25/2026	
	64th Ann.Award	GM-64th Annual Awards Dinner & Auction (5 BOD Members) for 7/26		750.00
			Total for Check Number 46858:	750.00
46859	P800	PG & E	06/25/2026	
	1787734656-3	Service at 1859 Beach rd/BW-2 for 5/8 to 6/7/26		18,024.13
	3721652020-7	AG. Service at Paulsen Lazaro Ranch Well# 62 for 5/6 to 6/4/26	3721652020-7	42.06
	3771390038-1	Service at Jensen Rd #3 for 5/19 to 6/16/26		26.52
	5290624576-7	Service at 2240 Beach Rd for 5/19 to 6/16/26		20.74
	5848846593-9	1.1M up Murphy Rd NX to SP RR Tracks /CIMIS/ for 5/14-6/11/26		2,304.39
	9214983032-2	Service at 1931 Beach rd/BW-1 for 5/8 to 6/7/26		533.16
	9218085363-9	Service at 162 San Andreas Rd/HSP Pump for 5/8 to 6/7/26		8,474.69
	9968544374-1	Service at 36 Brennan St for 5/8 to 6/7/26		739.07
			Total for Check Number 46859:	30,164.76
46860	S1000	SANTA CRUZ COUNTY FARM BUREAU	06/25/2026	
	109th ANNUAL MT	(3) Tickets 109th Annual Mtg for 6/26		300.00
			Total for Check Number 46860:	300.00
46861	S1405	SC FUELS INC	06/25/2026	
	1251670	Agency Vehicle Fuel for 6/1 to 6/15/26		832.23
			Total for Check Number 46861:	832.23

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
46862	S1900	SOIL CONTROL LAB, INC.	06/25/2026	
	6060040	CL-Water TSS Testing for 6/26		75.00
	6060079	CL-Water TSS Testing for 6/26		50.00
	6060118	CL-Water TSS Testing for 6/26		50.00
	6060119	CL-Water TSS Testing for 6/26		50.00
	6060242	CL-Water TSS Testing for 6/26		25.00
			Total for Check Number 46862:	250.00
46863	S2150	SOUTHWEST VALVE, LLC	06/25/2026	
	68543B54768	CDS Turnout/Valves Field Parts for 6/26		882.11
			Total for Check Number 46863:	882.11
46864	S830	RESOURCE CONSERVATION SANTA CRUZ COUNTY RCD	06/25/2026	
	MLRP REIMB	MLRP Reimb/Pass Through for 6/26		64,927.55
			Total for Check Number 46864:	64,927.55
46865	T300	TRIAXIAL DATA SYSTEMS	06/25/2026	
	1206	Parcel Record Update/ June Billing Changes for 6/26		1,850.00
			Total for Check Number 46865:	1,850.00
46866	T305	TELSTAR INSTRUMENTS, INC.	06/25/2026	
	131915	Job# 30-44761 SW-2 Out of Scope Programing for 4/25		2,272.00
	132682	RTU-1 & Recovery Well Inst. & Comms for 6/26		3,940.00
			Total for Check Number 46866:	6,212.00
46867	T345	THE HOME DEPOT CREDIT SERVICES	06/25/2026	
	7010055-1224703	Holohan Office & Facilities Field Supplies for 5/26		889.56
			Total for Check Number 46867:	889.56
46868	U185	U.S. BANK EQUIPMENT FINANCE	06/25/2026	
	584713408	CONTR#500-0626919-RICOH Upstairs copier for 6/14 - 7/14/26		79.55
			Total for Check Number 46868:	79.55
46869	U415	UNIVAR SOLUTIONS	06/25/2026	
	53950213	CL Chemicals, Testing Project Sodium Hypochlorite for 6/26		17,090.14
			Total for Check Number 46869:	17,090.14
46870	V369	VERIZON WIRELESS	06/25/2026	
	6144950555	Agency Personnel Cell Ph/Acc#270929573 for 5/2 - 6/1/26		560.99
			Total for Check Number 46870:	560.99
46871	W377	WATSONVILLE WETLANDS WATCH	06/25/2026	
	MLRP REIMB	MLRP Reimb/Pass Through for 6/26		20,879.50
			Total for Check Number 46871:	20,879.50
46872	W400	CITY OF WATSONVILLE UTILITIES	06/25/2026	
	CUST#602389	Office Monthly Utilities for 5/12 to 6/9/26		203.93
			Total for Check Number 46872:	203.93
46873	W80	WAGEWORKS INC.	06/25/2026	
	INV9155376	Mo. Admin & Compliance Fee for 6/26		128.00
			Total for Check Number 46873:	128.00
			Total for 6/25/2026:	842,917.19

Check	Vendor No / Invoice No	Vendor Name / Description	Check Date / Reference	Check Amount
ACH	T359	THE STANDARD INSURANCE COMPANY	06/26/2026	
	00-649299-0087	Long Term Disability Benefits		556.40
			Total for this ACH Check for Vendor T359:	556.40
			Total for 6/26/2026:	556.40
			Report Total (78 checks):	1,059,610.06