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

Pajaro Valley
Water Management Agency

Proposed
Final Budget
Fiscal Year 2026-2027

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Cover Photo:
Harkins Slough, Shinehah Bigham, Operations & Maintenance Manager

PAJARO VALLEY WATER MANAGEMENT AGENCY
PRELIMINARY BUDGET
FISCAL YEAR 2026-2026

Introduction

Groundwater contamination due to seawater intruding into the freshwater aquifers of the Pajaro Valley Subbasin, No. 3-002.01, (Basin) was first documented in 1953. Long-term groundwater overdraft conditions have resulted in groundwater levels declining below sea level annually, creating a landward pressure gradient that causes seawater to flow in to, and contaminate, freshwater. Seawater intrusion has elevated the concentration of chloride and other salts in groundwater approximately three miles inland from the coastline. In some areas seawater has contaminated groundwater to the point that it is unsuitable for use without treatment.

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

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

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

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

PV Water developed its first Basin Management Plan (BMP) in the early 1990s. The plan provided a roadmap to stop groundwater overdraft and halt seawater intrusion. Between 2020 and 2021, PV Water's Ad Hoc Sustainable Groundwater Planning Advisory Committee provided input and guidance to staff on the BMP: Groundwater Sustainability Update 2022 (GSU22), which the Board adopted in November 2021 via Resolution 2021-17. PV Water's staff then submitted GSU22 to DWR to satisfy the SGMA requirement of providing a periodic update of the state of the Basin and implementation of projects and management actions. DWR approved GSU22 in June 2024.

The Fiscal Year 2026-2027 (FY26-27) budget allocates funding for PV Water to continue implementation of Board approved projects and management actions in order to fulfill its mission to achieve sustainable groundwater resources for the Pajaro Valley. The budget serves as a projection of PV Water finances.

Budget Organization

The budget is organized by the following service expense groups:

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

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

Revenues and Sources of Funds

PV Water is funded through:

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

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

PV Water levies a groundwater augmentation charge "on the extraction of groundwater from wells within the Agency's boundaries in order to pay the costs of purchasing, capturing, storing, and distributing supplement water and paying for activities required to prepare and implement the Agencies groundwater management program."[1] The rates for FY26-27 are provided in Table 1, below. It should be noted that the PV Water Board of Directors (Board) established an Ad Hoc Rate Setting Committee in August 2025 to enhance community involvement and provide input throughout the upcoming rate setting effort. The rates shown in this budget reflect those that were adopted as part of Ordinances 2021-01 and 2021-02. Should the Board adopt new rates during the fiscal year, they will be incorporated into the budget via an amendment. Augmentation charge revenue is placed in the Special Revenue Fund category. This budget includes projected revenues of $14.5 million in augmentation charges.

PV Water administers a delivered water charge to customers who purchase supplemental water supplies. Supplemental water is comprised of recycled water from the Watsonville Area Recycled Water Facility, Harkins Slough Managed Aquifer Recharge & Recovery Facility, supplemental water wells operated by the Agency, the City of Watsonville's potable supply, and most recently, the College Lake Integrated Resources Management Project. The delivered water charge rate is shown in Table 1 and is $501 per acre-foot effective December 1, 2025[2]. Revenue generated from the sale of delivered water is placed in the Special Revenue Fund category. The budget includes projected revenues of $2.3 million in delivered water charges.

[1] Ordinance 2021-02, An Ordinance of the Pajaro Valley Water Management Agency Adjusting Groundwater Augmentation Charges
[2] Ordinance 2021-01, An Ordinance of the Pajaro Valley Water Management Agency Adjusting Delivered Water Charges

Table 1. Water Rates for Fiscal Year 2026-27

User Class	Cost of Service Rate Effective Dec. 1, 2025 (Per Acre-Foot)
Augmentation Charges:	
Metered Users - Outside Delivered Water Zone	$346
Metered Users - Inside Delivered Water Zone	$486
Unmetered Users (Rural Residential)*	$163
Delivered Water Charge	$501

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

PV Water actively seeks grants and low interest financing opportunities to support the planning and implementation of water supply projects and management actions. Grants and other financial agreements (such as the Clean Water State Revolving Fund, or SRF) that PV Water is able to secure reimburse eligible expenses incurred during the planning and implementation of those funded projects and programs. Reimbursements are placed in the fund category from which they were originally spent. The budget includes projected grant reimbursement revenues of $225,000. The grant that will provide this revenue is the following:

- Department of Conservation (DoC) "Multibenefit Land Repurposing Grant": Awarded in September 2023, the grant includes $8.89 million in funding for PV Water and its partners the Resource Conservation District of Santa Cruz County, the University of California, Santa Cruz, the Santa Cruz County Land Trust, the Pajaro River Flood Management Agency, Watsonville Wetlands Watch, and the Nature Conservancy to implement projects within the Pajaro Valley. Staff anticipate receiving approximately $225,000in FY26-27.

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Table 2a. Summary by Service

Summary by Service July 1, 2026 to June 30, 2027						
	General Fund Fund 10	**Special Revenue Fund Fund 20**			**Capital Projects Fund 30**	**Debt Service Fund 40**
Revenues and Sources of Funds						
Management Fees	370,000					
Delivered Water		2,300,000				
Augmentation Charges		14,500,000				
Grant Revenue		225,000				
Debt Financing Proceeds					1,000,000	
Interest Income	166,000	888,000				
Rental & Other Revenue	76,668	15,000				
Total Revenue	**$ 612,668**	**$ 17,928,000**	**$ -**	**$ -**	**$ 1,000,000**	**$ -**
	Agency Administration	**General Administration**	**Facility Operations**	**Basin Management**	**Capital Projects**	**Debt Service**
Expenditures						
Wages & Benefits	43,143	1,302,423	1,361,897	597,227	198,243	-
Conferences/Training	14,000	6,000	6,600	2,000	-	-
Travel (Mileage/Meals/Lodging)	22,000	10,900	7,500	6,000	-	-
Bank Charges/Bond Fees	-	13,000	15,200	-	-	-
Insurance	16,500	20,200	101,000	-	-	-
Taxes/Fees	250	26,000	49,000	-	110,500	-
Legal Notices & Ads	3,250	2,500	-	2,500	20,000	-
Dues & Subscription	37,000	5,500	12,800	3,000	-	-
Office Expense/Supplies	5,000	12,000	2,500	-	-	-
Postage	500	7,200	12,500	1,100	-	-
Printing	4,000	32,000	1,750	1,500	2,000	-
Utilities	22,100	24,500	824,800	1,300	-	-
Telephone/Data	4,500	15,700	41,555	-	-	-
Office Equipment Leases	1,000	7,500	6,800	-	-	-
Well Leases	-	-	-	-	-	-
Field Supplies/Equipment	-	7,000	65,000	26,000	25,000	-
Chemicals	-	-	250,000	-	-	-
Elections	50,000	-	-	-	-	-
Legal Services	40,000	32,000	15,000	32,500	330,000	-
Professional Services	42,200	470,000	638,000	560,000	3,400,000	-
Meter Contractor	-	-	10,000	-	-	-
LAFCO District Fees	20,000	-	-	-	-	-
Collection Fee/Bad Debt	6,500	7,000	-	-	-	-
Special Projects Outreach	15,000	-	-	-	-	-
Facilities Maintenance	100,000	25,000	96,000	-	-	-
Land Acquisition	-	-	-	-	110,000	-
Information Technology	8,200	43,300	95,900	26,800	-	-
Licensed Contractors	-	-	235,000	10,000	10,000,000	-
Vehicle Maintenance	-	2,000	11,500	3,500	-	-
Vehicle Purchase	-	-	-	-	-	-
Meters	-	-	90,000	-	-	-
COW Reimb O&M	-	-	3,400,000	-	-	-
Rebates	-	100,000	75,000	-	-	-
City Connection Water Charges	-	-	200,000	-	-	-
Uniforms	-	5,000	-	-	-	-
Water Sampling	-	-	120,000	55,000	-	-
Bond Administration Fee	-	6,000	-	-	-	-
Debt Service	-	-	-	-	-	6,058,930
Total Expenditures	**$ 455,143**	**$ 2,182,723**	**$ 7,745,302**	**$ 1,328,427**	**$ 14,195,743**	**$ 6,058,930**
Total Revenue						
Excess of Revenues or (Deficit)						

Note: Totals may not tie due to rounding.

Table 2b. Summary by Service (cont'd)

Summary by Service July 1, 2026 to June 30, 2027				
	FY26-27 Proposed Budget	**FY25-26 Amended Budget**	**$ Diff**	**% Diff**
Revenues and Sources of Funds				
Management Fees	370,000	370,000	-	0.0%
Delivered Water	2,300,000	2,000,000	300,000	15.0%
Augmentation Charges	14,500,000	14,000,000	500,000	3.6%
Grant Revenue	225,000	1,700,000	(1,475,000)	-86.8%
Debt Financing Proceeds	1,000,000	1,771,078	(771,078)	-43.5%
Interest Income	1,054,000	1,170,000	(116,000)	-9.9%
Rental & Other Revenue	91,668	86,800	4,868	5.6%
Total Revenue	**$ 19,540,668**	**$ 21,097,878**	**$ (1,557,210)**	**-7.4%**
	FY26-27 Proposed Budget	**FY25-26 Amended Budget**	**$ Diff**	**% Diff**
Expenditures				
Wages & Benefits	3,502,933	2,914,016	588,917	20.2%
Conferences/Training	28,600	29,000	(400)	-1.4%
Travel (Mileage/Meals/Lodging)	46,400	45,400	1,000	2.2%
Bank Charges/Bond Fees	28,200	28,200	-	0.0%
Insurance	137,700	124,500	13,200	10.6%
Taxes/Fees	185,750	185,750	-	0.0%
Legal Notices & Ads	28,250	25,250	3,000	11.9%
Dues & Subscription	58,300	57,300	1,000	1.7%
Office Expense/Supplies	19,500	20,500	(1,000)	-4.9%
Postage	21,300	21,300	-	0.0%
Printing	41,250	41,250	-	0.0%
Utilities	872,700	642,700	230,000	35.8%
Telephone/Data	61,755	85,100	(23,345)	-27.4%
Office Equipment Leases	15,300	15,300	-	0.0%
Well Leases	-	25,000	(25,000)	-100.0%
Field Supplies/Equipment	123,000	113,000	10,000	8.8%
Chemicals	250,000	50,000	200,000	400.0%
Elections	50,000	-	50,000	0.0%
Legal Services	449,500	322,000	127,500	N/A
Professional Services	5,110,200	4,996,000	114,200	2.3%
Meter Contractor	10,000	10,000	-	0.0%
LAFCO District Fees	20,000	19,800	200	1.0%
Collection Fee/Bad Debt	13,500	13,500	-	0.0%
Special Projects Outreach	15,000	20,000	(5,000)	-25.0%
Facilities Maintenance	221,000	191,000	30,000	15.7%
Land Acquisition	110,000	2,500,000	(2,390,000)	-95.6%
Information Technology	174,200	169,000	5,200	3.1%
Licensed Contractors	10,245,000	3,705,000	6,540,000	176.5%
Vehicle Maintenance	17,000	17,000	-	0.0%
Vehicle Purchase	-	-	-	0.0%
Meters	90,000	165,000	(75,000)	-45.5%
COW Reimb O&M	3,400,000	3,250,000	150,000	4.6%
Rebates	175,000	180,000	(5,000)	-2.8%
City Connection Water Charges	200,000	300,000	(100,000)	N/A
Uniforms	5,000	5,000	-	N/A
Water Sampling	175,000	105,000	70,000	N/A
Bond Administration Fee	6,000	6,000	-	N/A
Debt Service	6,058,930	4,016,647	2,042,283	50.8%
Total Expenditures	**$ 31,966,268**	**$ 24,414,513**	**$ 7,551,755**	**23.6%**
Total Revenue	**19,540,668**	**21,097,878**	**$ (1,557,210)**	
Excess of Revenues or (Deficit)	**(12,425,600)**	**(3,316,635)**	**$ (9,108,966)**	

Note: Totals may not tie due to rounding.

Table 3. Budgeted Salary Expenditures, Overall Allocation

				General Fund Fund 10		Special Revenue Fund 20						Capital Projects Fund 30	
	Position	Total Salary & Benefits		Agency Admin		Admin Grants Conserv Ed & Outreach		Facility Ops		Basin Mngmnt		Capital Projects	
		Includes 10% Allowance for Non-Exempt		Total		Total		Total		Total		Total	
		%	$	%	$	%	$	%	$	%	$	%	$
Agency Administration													
	General Manager	100%	405,756	2%	8,115	41%	166,360	9%	36,518	34%	137,957	14%	56,806
	Finance & Administrative Services Manager	100%	281,915	2%	5,638	80%	225,532	0%	-	14%	39,468	4%	11,277
	Financial Analyst	100%	204,509	2%	4,090	87%	177,923	0%	-	10%	20,451	1%	2,045
	Executive Assistant/Board Secretary	100%	163,602	2%	3,272	79%	129,246	0%	-	5%	8,180	14%	22,904
	Customer Service Rep	100%	176,883	2%	3,538	98%	173,345	0%	-	0%	-	0%	-
	Account Clerk	100%	146,990	2%	2,940	98%	144,051	0%	-	0%	-	0%	-
										0%			
Operations										0%			
	Operations & Maintenance Manager	100%	263,418	0%	-	18%	47,415	67%	176,490	2%	5,268	13%	34,244
	Water System Operator II (x 2)	100%	379,992	0%	-	5%	19,000	95%	360,992	0%	-	0%	-
	Operations & Maintenance Technician	100%	197,966	0%	-	1%	1,980	99%	195,986	0%	-	0%	-
	Water Meter Program Coordinator	100%	191,420	0%	-	12%	22,970	88%	168,449	0%	-	0%	-
	Field Technician	100%	127,120	0%	-	1%	1,271	99%	125,849	0%	-	0%	-
	Maintenance Technician	100%	139,423	0%	-	1%	1,394	99%	138,029	0%	-	0%	-
	Senior Hydrologist	100%	248,472	0%	-	11%	27,332	16%	39,755	61%	151,568	12%	29,817
	Associate Hydrologist (Vacant)	100%	216,506	0%	-	11%	23,816	21%	45,466	54%	116,913	14%	30,311
	Water Resources Technician	100%	154,444	0%	-	9%	13,900	37%	57,144	52%	80,311	2%	3,089
	Water Conservation & Outreach Specialist	100%	170,552	2%	3,411	68%	115,976	11%	18,761	16%	27,288	3%	5,117
	Intern	100%	21,827	0%	-	50%	10,914	5%	1,091	45%	9,822	0%	-
	Total Staff Salaries/Benefits		3,490,795		31,004		1,302,423		1,364,532		597,227		195,609
	Board Members		12,139		12,139								
	Total Salaries & Benefits		**3,502,933**		**43,143**		**1,302,423**		**1,364,532**		**597,227**		**195,609**

Note: Totals may not tie due to rounding.

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General Fund
Agency Administration Service Expense Group Summary

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

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

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

Special Projects Outreach
Special Projects Outreach typically funds target water awareness and education campaigns. Examples of prior projects include water conservation and drought awareness advertisements, especially in support of "Water Awareness Month." PV Water has also supported projects with the Ag History Project at the Santa Cruz County Fairgrounds on water conservation displays and other educational materials. In FY24-25, PV Water funded its 40th Anniversary event from this fund.

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Table 4. Agency Administration Expenditures

Agency Administration July 1, 2026 to June 30, 2027				
	Office Administration	**Board Support**	**Outreach & Education**	**Total**
Expenditures				
Wages & Benefits	16,507	24,119	2,517	43,143
Conferences/Training	4,000	10,000	-	14,000
Travel (Mileage/Meals/Lodging)	6,000	15,000	1,000	22,000
Bank Charges/Bond Fees	-	-	-	-
Insurance	16,500	-	-	16,500
Taxes/Fees	250	-	-	250
Legal Notices & Ads	750	-	2,500	3,250
Dues & Subscription	34,000	-	3,000	37,000
Office Expense/Supplies	5,000	-	-	5,000
Postage	500	-	-	500
Printing	4,000	-	-	4,000
Utilities	22,100	-	-	22,100
Telephone/Data	4,500	-	-	4,500
Office Equipment Leases	1,000	-	-	1,000
Well Leases	-	-	-	-
Field Supplies/Equipment	-	-	-	-
Elections	-	50,000	-	50,000
Uniforms	-	-	-	-
Legal Services	25,000	15,000	-	40,000
Professional Services	40,000	1,200	1,000	42,200
Meter Contractor	-	-	-	-
LAFCO District Fees	20,000	-	-	20,000
Collection Fee/Bad Debt	6,500	-	-	6,500
Special Projects Outreach	-	-	15,000	15,000
Facilities Maintenance	100,000	-	-	100,000
Land Acquisition	-	-	-	-
Information Technology	8,200	-	-	8,200
Licensed Contractors	-	-	-	-
Vehicle Maintenance	-	-	-	-
Vehicle Purchase	-	-	-	-
Meters	-	-	-	-
COW Reimb O&M	-	-	-	-
Rebates	-	-	-	-
City Connection Water Charges	-	-	-	-
Water Sampling	-	-	-	-
Bond Administration Fee	-	-	-	-
DWR Note Payable	-	-	-	-
SWRCB Loan	-	-	-	-
2015 Bond	-	-	-	-
2016 Bond	-	-	-	-
Total Expenditures	**$ 314,807**	**$ 115,319**	**$ 25,017**	**$ 455,143**

Note: Totals may not tie due to rounding.

Table 5. Budgeted Salary Expenditures, Fund 10 Detail

General Fund 10

Position	Total Salary & Benefits	Agency Administration							
	Includes10% Allowance for Non-Exempt	Office Admin		Board Support		Special Projects Outreach		**Total**	
		%	$	%	$	%	$	%	$
Agency Administration									
General Manager	405,756	40%	3,246	50%	4,058	10%	812	100%	8,115
Finance & Administrative Services Manager	281,915	70%	3,947	30%	1,691	0%	-	100%	5,638
Financial Analyst	204,509	70%	2,863	30%	1,227	0%	-	100%	4,090
Executive Assistant/Board Secretary	163,602	10%	327	90%	2,945	0%	-	100%	3,272
Customer Service Rep	176,883	90%	3,184	10%	354	0%	-	100%	3,538
Account Clerk	146,990	100%	2,940	0%	-	0%	-	100%	2,940
Operations									
Operations & Maintenance Manager	263,418	0%	-	0%	-	0%	-	0%	-
Water System Operator II (x 2)	379,992	0%	-	0%	-	0%	-	0%	-
Operations & Maintenance Technician	197,966	0%	-	0%	-	0%	-	0%	-
Water Meter Program Coordinator	191,420	0%	-	0%	-	0%	-	0%	-
Field Technician	127,120	0%	-	0%	-	0%	-	0%	-
Maintenance Technician	139,423	0%	-	0%	-	0%	-	0%	-
Senior Hydrologist	248,472	0%	-	0%	-	0%	-	0%	-
Associate Hydrologist (Vacant)	216,506	0%	-	0%	-	0%	-	0%	-
Water Resources Technician	154,444	0%	-	0%	-	0%	-	0%	-
Water Conservation & Outreach Specialist	170,552	0%	-	50%	1,706	50%	1,706	100%	3,411
Intern	21,827	0%	-	0%	-	0%	-	0%	-
Total Staff Salaries/Benefits	3,490,795		16,507		11,980		2,517		31,004
Board Members	12,139				12,139				12,139
Total Salaries & Benefits	**3,502,933**		**16,507**		**24,119**		**2,517**		**43,143**

Note: Totals may not tie due to rounding.

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Special Fund
General Administration Service Expense Group Summary

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

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

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

Conservation
PV Water's agricultural water conservation goal is 5,000 acre-feet per year (AFY). This represents about a 10% reduction in pumping compared to the baseline period 2006-2010 average for groundwater wells. The conservation goal accounts for 40% of the overall solution to eliminate 12,100 AFY of groundwater extraction. The "Agricultural Water Conservation Program" provides a high-level of engagement with local partners and stakeholders, focusing on streamlining ranch level conservation programs, and leveraging resources to optimize basin-wide progress toward the conservation goals. Partner agencies include the Resource Conservation Districts of Santa Cruz and Monterey Counties, the Natural Resources Conservation Service, and the UC Cooperative Extension. In March 2024, the Board of Directors voted in favor of funding the BMP Agricultural Water Conservation Program for the next three fiscal years (through FY26-27) at a rate of approximately $450,000 per year, which includes $350,000 per year for professional services, and up to $100,000 per year in rebates, trials, and cost-sharing agreements. The "Household Water Conservation Program" includes rebates, a home and garden water conservation tool kit, and water saving device give-a-ways.

Outreach & Education
Outreach, community engagement, and education are among the most important functions of PV Water. Meetings, tours and workshops for stakeholders, community members, and students make up an important component of PV Water's outreach program. Outreach outlets included in this category are annual reports, newsletters, participation in local fairs and events, website updates and maintenance, and development of traditional media and social media content (e.g. Facebook, Instagram, LinkedIn).

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Table 6. Special Fund General Administration Expenditures

Special Fund General Administration July 1, 2026 to June 30, 2027					
	Office Administration	**Public Outreach & Education**	**Grant Administration**	**Conservation**	**Total**
Expenditures					
Wages & Benefits	1,008,996	136,984	109,282	47,161	1,302,423
Conferences/Training	4,000	1,000	-	1,000	6,000
Travel (Mileage/Meals/Lodging)	7,500	1,500	1,000	900	10,900
Bank Charges/Bond Fees	13,000	-	-	-	13,000
Insurance	20,200	-	-	-	20,200
Taxes/Fees	26,000	-	-	-	26,000
Legal Notices & Ads	2,500	-	-	-	2,500
Dues & Subscription	5,000	500	-	-	5,500
Office Expense/Supplies	10,000	1,000	-	1,000	12,000
Postage	5,000	1,100	1,100	-	7,200
Printing	21,500	10,000	-	500	32,000
Utilities	24,500	-	-	-	24,500
Telephone/Data	6,700	4,500	-	4,500	15,700
Office Equipment Leases	7,500	-	-	-	7,500
Well Leases	-	-	-	-	-
Field Supplies/Equipment	-	2,000	-	5,000	7,000
Elections	-	-	-	-	-
Uniforms	5,000	-	-	-	5,000
Legal Services	30,000	-	2,000	-	32,000
Professional Services	20,000	25,000	75,000	350,000	470,000
Meter Contractor	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-
Collection Fee/Bad Debt	7,000	-	-	-	7,000
Special Projects Outreach	-	-	-	-	-
Facilities Maintenance	25,000	-	-	-	25,000
Land Acquisition	-	-	-	-	-
Information Technology	22,700	10,300	-	10,300	43,300
Licensed Contractors	-	-	-	-	-
Vehicle Maintenance	500	1,000	-	500	2,000
Vehicle Purchase	-	-	-	-	-
Meters	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-
Rebates	-	-	-	100,000	100,000
City Connection Water Charges	-	-	-	-	-
Water Sampling	-	-	-	-	-
Bond Administration Fee	6,000	-	-	-	6,000
DWR Note Payable	-	-	-	-	-
SWRCB Loan	-	-	-	-	-
2015 Bond	-	-	-	-	-
2016 Bond	-	-	-	-	-
Total Expenditures	**$ 1,278,596**	**$ 194,884**	**$ 188,382**	**$ 520,861**	**$ 2,182,723**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Special Revenue Fund 20									
		Includes 10% Allowance for Non-Exempt	Office Admin		Public Outreach & Education		Grant Admin		Conser-vation		**Total**	
			%	$	%	$	%	$	%	$	%	$
Agency Administration												
	General Manager	405,756	25%	101,439	10%	40,576	4%	16,230	2%	8,115	41%	166,360
	Finance & Administrative Services Manager	281,915	73%	205,798	1%	2,819	6%	16,915	0%	-	80%	225,532
	Financial Analyst	204,509	82%	167,697	0%	-	5%	10,225	0%	-	87%	177,923
	Executive Assistant/Board Secretary	163,602	72%	117,794	2%	3,272	5%	8,180	0%	-	79%	129,246
	Customer Service Rep	176,883	98%	173,345	0%	-	0%	-	0%	-	98%	173,345
	Account Clerk	146,990	98%	144,051	0%	-	0%	-	0%	-	98%	144,051
Operations												
	Operations & Maintenance Manager	263,418	15%	39,513	1%	2,634	2%	5,268	0%	-	18%	47,415
	Water System Operator II (x 2)	379,992	4%	15,200	1%	3,800	0%	-	0%	-	5%	19,000
	Operations & Maintenance Technician	197,966	1%	1,980	0%	-	0%	-	0%	-	1%	1,980
	Water Meter Program Coordinator	191,420	2%	3,828	0%	-	10%	19,142	0%	-	12%	22,970
	Field Technician	127,120	1%	1,271	0%	-	0%	-	0%	-	1%	1,271
	Maintenance Technician	139,423	1%	1,394	0%	-	0%	-	0%	-	1%	1,394
	Senior Hydrologist	248,472	3%	7,454	2%	4,969	5%	12,424	1%	2,485	11%	27,332
	Associate Hydrologist (Vacant)	216,506	3%	6,495	2%	4,330	5%	10,825	1%	2,165	11%	23,816
	Water Resources Technician	154,444	1%	1,544	2%	3,089	1%	1,544	5%	7,722	9%	13,900
	Water Conservation & Outreach Specialist	170,552	8%	13,644	40%	68,221	5%	8,528	15%	25,583	68%	115,976
	Intern	21,827	30%	6,548	15%	3,274	0%	-	5%	1,091	50%	10,914
	Total Salaries/Benefits	**3,490,795**		**1,008,996**		**136,984**		**109,282**		**47,161**		**1,302,423**

Note: Totals may not tie due to rounding.

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Facility Operations
Service Expense Group Summary

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

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

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

Supplemental Water (In-Basin)
The Supplemental Water Facilities include several Supplemental Water Wells and a connection to the City of Watsonville's potable water supply. Water System Operators blend supplemental water supplies with recycled water to meet demand, as well as improve the water quality. Operational costs include staff time, utilities, leases, software, electrical and pump maintenance.

PV Water is also implementing the Recharge Net Metering Program, which has the goal of enhancing groundwater recharge within the Basin by 1,000 AFY through a series of stormwater collection and infiltration basins. PV Water issues rebates to landowners based on the measured volume of water infiltrated as reported by the program's "Third Party Certifiers." Managed aquifer recharge helps to improve and sustain the quantity and quality of groundwater.

Watsonville Area Recycled Water Facility (RWF)
The RWF was constructed and is operated and maintained in collaboration with the City of Watsonville (City). The RWF was designed to produce up to 4,000 acre-feet per year of tertiary-treated, Title 22 compliant recycled water for use as an irrigation supply, delivered through the CDS, in lieu of groundwater. Expenses in this category include annual fees, planning, and operations and maintenance (O&M) costs paid to the City for water produced at the RWF.

College Lake Integrated Resources Management Project (College Lake Project)
This facility includes an intake pump station with a fish passage facility, a raw water pipeline to a water treatment plant, and a 6-mile treated water pipeline to the CDS. Costs to operate and maintain the facility for the first two years (FY25-26, and FY26-27) will be estimated based on engineer estimates and refined with time and experience. Operational costs include staff time, utilities, chemicals, electrical and pump maintenance. The facility is estimated to produce between 1,800 and 2,300 AF per year of water.

Metering Program
The Metering Program consists of maintaining and reading over 1,000 flow meters basin-wide on a quarterly basis. Calibrated flow meters measure groundwater extractions and water deliveries for basin management, and billing purposes. PV Water is in the process of upgrading traditional meters to telemetry meters that allow for cloud-based access of data for both staff and customers. PV Water received a grant of approximately $98,000 from the Bureau of Reclamation to partially fund this work. Operational costs include staff time, meters and parts, and licensed contractors.

Table 8. Facility Operations Expenditures

Facility Operations July 1, 2026 to June 30, 2027							
	Harkins Slough Facility	**Coastal Distribution System**	**Supplemental Water (In-Basin)**	**Recycled Water Facility**	**Metering Program**	**College Lake Facility**	**Total**
Expenditures							
Wages & Benefits	136,729	320,101	71,842	63,540	360,827	408,859	1,361,897
Conferences/Training	-	4,100	-	-	1,500	1,000	6,600
Travel (Mileage/Meals/Lodging)	-	5,000	-	-	-	2,500	7,500
Bank Charges	3,200	3,000	3,000	-	3,000	3,000	15,200
Insurance	20,200	20,200	20,200	-	20,200	20,200	101,000
Taxes/Fees	4,000	-	-	35,000	-	10,000	49,000
Legal Notices & Ads	-	-	-	-	-	-	-
Dues & Subscription	2,100	3,600	2,400	3,200	500	1,000	12,800
Office Expense/Supplies	500	1,000	500	-	500	-	2,500
Postage	3,500	3,500	2,500	-	2,500	500	12,500
Printing	500	500	500	-	250	-	1,750
Utilities	115,500	2,300	250,000	-	-	457,000	824,800
Telephone/Data	3,400	3,400	3,400	300	27,555	3,500	41,555
Office Equipment Leases	1,700	1,700	1,700	-	1,700	-	6,800
Well Leases	-	-	-	-	-	-	-
Field Supplies/Equipment	10,000	20,000	7,000	-	3,000	25,000	65,000
Chemicals	-	-	-	-	-	250,000	250,000
Elections	-	-	-	-	-	-	-
Uniforms	-	-	-	-	-	-	-
Legal Services	-	-	15,000	-	-	-	15,000
Professional Services	5,000	100,000	30,000	-	3,000	500,000	638,000
Meter Contractor	-	-	-	-	10,000	-	10,000
LAFCO District Fees	-	-	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-	-	-
Facilities Maintenance	2,000	65,000	2,000	-	2,000	25,000	96,000
Land Acquisition	-	-	-	-	-	-	-
Information Technology	23,700	22,700	22,700	-	13,400	13,400	95,900
Licensed Contractors	25,000	35,000	25,000	-	-	150,000	235,000
Vehicle Maintenance	-	6,000	-	-	5,000	500	11,500
Vehicle Purchase	-	-	-	-	-	-	-
Meters	-	-	-	-	90,000	-	90,000
COW Reimb O&M	-	-	-	3,400,000	-	-	3,400,000
Rebates	-	-	75,000	-	-	-	75,000
City Connection Water Charges	-	200,000	-	-	-	-	200,000
Water Sampling	-	55,000	-	-	-	65,000	120,000
Bond Administration Fee	-	-	-	-	-	-	-
DWR Note Payable	-	-	-	-	-	-	-
SWRCB Loan	-	-	-	-	-	-	-
2015 Bond	-	-	-	-	-	-	-
2016 Bond	-	-	-	-	-	-	-
Total Expenditures	**$ 357,029**	**$ 872,101**	**$ 532,742**	**$ 3,502,040**	**$ 544,931**	**$ 1,936,459**	**$ 7,745,302**

Note: Totals may not tie due to rounding.

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

		Special Revenue Fund 20													
Position	Total Salary & Benefits	Facility Operations													
	Includes 10% Allowance for Non-Exempt	Harkins Slough		Coastal Distribution System		Supplemental Water (In-Basin)		Recycled Water Facility		Metering Program		College Lake Facility		Total	
		%	$	%	$	%	$	%	$	%	$	%	$	%	$
Agency Administration															
General Manager	405,756	1%	4,058	1%	4,058	1%	4,058	1%	4,058	1%	4,058	4%	16,230	9%	36,518
Finance & Administrative Services Manager	281,915	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Financial Analyst	204,509	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Executive Assistant/Board Secretary	163,602	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Customer Service Rep	176,883	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Account Clerk	146,990	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
													-	0%	-
Operations													-	0%	-
Operations & Maintenance Manager	263,418	10%	26,342	15%	39,513	5%	13,171	5%	13,171	2%	5,268	29%	76,391	66%	173,856
Water System Operator II (x 2)	379,992	10%	37,999	30%	113,998	5%	19,000	5%	19,000	5%	19,000	40%	151,997	95%	360,992
Operations & Maintenance Technician	197,966	10%	19,797	34%	67,308	5%	9,898	5%	9,898	10%	19,797	35%	69,288	99%	195,986
Water Meter Program Coordinator	191,420	1%	1,914	7%	13,399	0%	-	0%	-	80%	153,136	0%	-	88%	168,449
Field Technician	127,120	5%	6,356	12%	15,254	5%	6,356	2%	2,542	65%	82,628	10%	12,712	99%	125,849
Maintenance Technician	139,423	10%	13,942	30%	41,827	5%	6,971	5%	6,971	25%	34,856	24%	33,462	99%	138,029
Senior Hydrologist	248,472	4%	9,939	2%	4,969	2%	4,969	1%	2,485	2%	4,969	5%	12,424	16%	39,755
Associate Hydrologist (Vacant)	216,506	4%	8,660	2%	4,330	2%	4,330	1%	2,165	2%	4,330	10%	21,651	21%	45,466
Water Resources Technician	154,444	5%	7,722	10%	15,444	2%	3,089	1%	1,544	15%	23,167	4%	6,178	37%	57,144
Water Conservation & Outreach Specialist	170,552	0%	-	0%	-	0%	-	1%	1,706	5%	8,528	5%	8,528	11%	18,761
Intern	21,827	0%	-	0%	-	0%	-	0%	-	5%	1,091	0%	-	5%	1,091
Total Salaries & Benefits	**3,490,795**		**136,729**		**320,101**		**71,842**		**63,540**		**360,827**		**408,859**		**1,361,897**

Note: Totals may not tie due to rounding.

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Basin Management
Service Expense Group Summary

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

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

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

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

In-Basin Management
The In-Basin Management section of the budget has historically funded basin management planning efforts, including consultant support for outreach and engagement, committee facilitation, and plan development. SGMA requires GSAs to prepare and submit "periodic updates" to their Groundwater Sustainability Plans (GSP), or, in the case of PV Water, its GSP-Alternative. The purpose of periodic updates is to inform the community and DWR about the state of the Basin and the progress the GSA is making toward achieving sustainable water resources. The next periodic update is due to DWR in December 2026; work on that plan is anticipated to conclude in FY26-27. Also included in this budget category is funding for the Department of Conservation's Multi-Benefit Land Repurposing Program. The Board awarded a $480,000 contract to a consultant in February 2025 to support outreach and engagement for this program, as well as meeting facilitation and preparation for of the Multi-benefit Land Repurposing Plan; this work is ongoing.

Regional Water Management
PV Water, San Benito County Water District (SBCWD) and Santa Clara Valley Water District (Valley Water), comprise the Regional Water Management Group (RWMG), which leads the Integrated Regional Water Management (IRWM) efforts for the Pajaro River Watershed. The RWMG most recently updated and adopted the IRWM Plan in October

2019. In June 2024, DWR executed a $2 million grant agreement with PV Water for the Pajaro River Watershed Resilience Pilot Program. Funding for this program has been provided in full or in part from the Budget Acts of 2022 through an agreement with DWR. By the end of FY25-26, PV Water had completed the final Pajaro River Watershed Resilience Plan (PRWRP). The grant will have reimbursed PV Water for all consultant support services, including grant administration. Funding in this budget category will provide match for potential grants to continue development of the PRWRP.

Out-of-Basin Funding
Out-of-Basin Funding efforts include the continued pursuit of state and federal grants and loans. For instance, PV Water acquired approximately $74.2 million in WIFIA loans in February 2024 to provide partial funding for the College Lake and WSS-MARR Projects. Various federal and state programs continue to represent significant funding opportunities for PV Water's projects. The budget includes funding for staff time, and consultant support, particularly the preparation of grant proposals. Staff anticipate preparing funding proposals for Proposition 4 grant opportunities in FY26-27.

In-Basin Funding
Current rates are set by Ordinances 2021-01 and 2021-02, adjusting the Agency's Delivered Water Charge and Groundwater Augmentation Charge in April 2021, and 2022-01, adjusting effective date to December 1 of each year. In August 2025, the Board established an Ad Hoc Rate Setting Committee to enhance community involvement and provide input throughout the upcoming rate setting effort. Should the Board adopt new rates during the fiscal year, they will be incorporated into the budget via an amendment.

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Table 10. Basin Management Expenditures

Basin Management July 1, 2026 to June 30, 2027							
	Basin Modeling	**Basin Monitoring**	**In-Basin Management**	**Regional Water Management**	**Out-of-Basin Funding**	**In-Basin Funding**	**Total**
Expenditures							
Wages & Benefits	111,654	176,574	112,331	50,373	53,884	92,411	597,227
Conferences/Training	500	1,500	-	-	-	-	2,000
Travel (Mileage/Meals/Lodging)	1,000	1,500	-	500	2,500	500	6,000
Bank Charges/Bond Fees	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Taxes/Fees	-	-	-	-	-	-	-
Legal Notices & Ads	-	-	500	500	-	1,500	2,500
Dues & Subscription	-	3,000	-	-	-	-	3,000
Office Expense/Supplies	-	-	-	-	-	-	-
Postage	-	-	-	-	-	1,100	1,100
Printing	-	-	-	500	-	1,000	1,500
Utilities	-	1,300	-	-	-	-	1,300
Telephone/Data	-	-	-	-	-	-	-
Office Equipment Leases	-	-	-	-	-	-	-
Well Leases	-	-	-	-	-	-	-
Field Supplies/Equipment	-	26,000	-	-	-	-	26,000
Elections	-	-	-	-	-	-	-
Uniforms	-	-	-	-	-	-	-
Legal Services	-	-	7,500	-	-	25,000	32,500
Professional Services	85,000	25,000	275,000	25,000	75,000	75,000	560,000
Meter Contractor	-	-	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-	-	-
Land Acquisition	-	-	-	-	-	-	-
Information Technology	13,400	13,400	-	-	-	-	26,800
Licensed Contractors	-	10,000	-	-	-	-	10,000
Vehicle Maintenance	-	3,500	-	-	-	-	3,500
Vehicle Purchase	-	-	-	-	-	-	-
Meters	-	-	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-	-	-
Rebates	-	-	-	-	-	-	-
City Connection Water Charges	-	-	-	-	-	-	-
Water Sampling	-	55,000	-	-	-	-	55,000
Bond Administration Fee	-	-	-	-	-	-	-
DWR Note Payable	-	-	-	-	-	-	-
SWRCB Loan	-	-	-	-	-	-	-
2015 Bond	-	-	-	-	-	-	-
2016 Bond	-	-	-	-	-	-	-
Total Expenditures	**$ 211,554**	**$ 316,774**	**$ 395,331**	**$ 76,873**	**$ 131,384**	**$ 196,511**	**$ 1,328,427**

Note: Totals may not tie due to rounding.

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

Position	Total Salary & Benefits	Special Revenue Fund 20 — Basin Management													
	Includes 10% Allowance for Non-Exempt	Basin Modeling		Basin Monitoring		In-Basin Management Plan		Regional Water Management Plan		Out Of Basin Funding		In-Basin Funding (Rate Setting)		**Total**	
		%	$	%	$	%	$	%	$	%	$	%	$	%	$
Agency Administration															
General Manager	405,756	2%	8,115	2%	8,115	10%	40,576	6%	24,345	5%	20,288	9%	36,518	34%	137,957
Finance & Administrative Services Manager	281,915	0%	-	0%	-	0%	-	0%	-	6%	16,915	8%	22,553	14%	39,468
Financial Analyst	204,509	0%	-	0%	-	0%	-	0%	-	3%	6,135	7%	14,316	10%	20,451
Executive Assistant/Board Secretary	163,602	0%	-	0%	-	0%	-	0%	-	0%	-	5%	8,180	5%	8,180
Customer Service Rep	176,883	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Account Clerk	146,990	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Operations															
Operations & Maintenance Manager	263,418	0%	-	0%	-	0%	-	0%	-	0%	-	2%	5,268	2%	5,268
Water System Operator II (x 2)	379,992	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Operations & Maintenance Technician	197,966	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Water Meter Program Coordinator	191,420	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Field Technician	127,120	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Maintenance Technician	139,423	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Senior Hydrologist	248,472	20%	49,694	25%	62,118	12%	29,817	2%	4,969	2%	4,969	0%	-	61%	151,568
Associate Hydrologist (Vacant)	216,506	20%	43,301	15%	32,476	12%	25,981	5%	10,825	1%	2,165	1%	2,165	54%	116,913
Water Resources Technician	154,444	4%	6,178	45%	69,500	3%	4,633	0%	-	0%	-	0%	-	52%	80,311
Water Conservation & Outreach Specialist	170,552	0%	-	0%	-	6%	10,233	6%	10,233	2%	3,411	2%	3,411	16%	27,288
Intern	21,827	20%	4,365	20%	4,365	5%	1,091	0%	-	0%	-	0%	-	45%	9,822
Total Salaries & Benefits	**3,490,795**		**111,654**		**176,574**		**112,331**		**50,373**		**53,884**		**92,411**		**597,227**

Note: Totals may not tie due to rounding.

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Capital Projects
Service Expense Group Summary

Following years of community engagement and work, the Board of Directors certified the 2014 BMP Update Environmental Impact Report (Resolution 2014-04), approved the 2014 Basin Management Plan Update (Resolution 2014-05) in 2014 and then adopted Ordinances 2015-01, 2015-02, 2021-01, and 2021-02 adjusting PV Water's rate structures to advance the implementation of the 2014 BMP Update. The projects and management actions described in the 2014 BMP Update, and incorporated into GSU22, are projected to achieve sustainable groundwater resources. Funding to implement capital projects is summarized below.

College Lake Integrated Resources Management Project
In February 2023, the Board adopted Resolution 2023-02, awarding contract to Mountain Cascade Inc. for Construction of the College Lake Water Treatment Plant & Intake Facilities Project, Project No. 30-39-501, and the College Lake Pipeline Project, Project No. 30-39-502. The Project is anticipated to reach final completion in FY26-27. The FY26-27 budget includes funding anticipated to close out the construction phase of the project. Note that funding for operations and maintenance is described above in the Facility Operations Service Expense Group.

Watsonville Slough System Managed Aquifer Recharge & Recovery Projects
In January 2021, the Board adopted Resolution 2021-03, Certifying the Final Environmental Impact Report, Adopting Findings Pursuant to the California Environmental Quality Act, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program for the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. The Board also adopted Resolution 2021-04 Selecting, Approving, and Adopting the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. In March 2025, the Board adopted Resolution 2025-03 Approving the Addendum to the Watsonville Slough System Managed Aquifer Recharge & Recovery Project Environmental Impact Report (SCH No. 2019059130 and Resolution 2025-04 Selecting, Approving, and Adopting Modifications to the Watsonville Slough System Managed Aquifer Recharge & Recovery Project.) The Project is anticipated to begin construction in spring 2027. The FY26-27 budget includes funding to continue with implementation of the project, including design, permitting, legal support, and construction.

Basin Monitoring Network Improvements Project
The purpose of this project is to help PV Water better quantify progress toward achieving sustainable groundwater resources through the installation of additional groundwater monitoring wells within the Basin. Staff have initiated the application process with DWR for "Technical Support Services" in support of the installation of new monitoring wells to fill data gaps as described in GSU22, and to improve PV Water's ability to monitor the effectiveness of projects and management actions. The Cost of Service Rate Study, approved by the Board in 2021, anticipated a $1.5 million expenditure to construct new monitoring wells. The FY26-27 budget includes approximately $2.3 million for this Project that is being carried forward from FY25-26 due to delays in environmental permit acquisition.

Supplemental Well No. 3 Improvements Project
In December 2022, PV Water and Harvest Drive Properties, LLC, entered into an "Agreement for Use of Well" that PV Water has named Supplemental Well No. 3 (SW3). The term of the agreement is from January 1, 2024, through January 1, 2044, with options to renew the agreement for two 10-year terms. While constructing the College Lake Integrated Resources Management Project – Treated Water Pipeline, PV Water constructed a 12-inch diameter lateral off the main line to SW3, in anticipation of its future use. In December 2025, the Board adopted Resolution 2025-10, Awarding Contract to Pacific Infrastructure Corporation for Construction of the Supplemental Well No. 3 Improvements Project, No. 30-62; Approve Finding Project Qualifies for Class 1 and 2 Categorical Exemption. The FY26-27 budget includes funding to complete the project.

Recycled Water Facility Capital Improvements Project
PV Water and the City of Watsonville conducted a reliability and condition assessment of the Recycled Water Facility in 2024. The FY26-27 budget includes funding to support ongoing implementation of the Recycled Water Facility Capital Improvements Plan.

Table 12. Capital Projects Expenditures

Capital Projects July 1, 2026 to June 30, 2027						
	Basin Monitoring Improvements	**College Lake Integrated Resources Management Project**	**WSS-MARR**	**Supplemental Well #3**	**RWF CIP Projects**	**Total**
Expenditures						
Wages & Benefits	31,497	29,652	113,173	21,286	2,634	198,243
Conferences/Training	-	-	-	-	-	-
Travel (Mileage/Meals/Lodging)	-	-	-	-	-	-
Bank Charges/Bond Fees	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Taxes/Fees	-	10,000	100,000	500	-	110,500
Legal Notices & Ads	-	5,000	10,000	5,000	-	20,000
Dues & Subscription	-	-	-	-	-	-
Office Expense/Supplies	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Printing	-	-	2,000	-	-	2,000
Utilities	-	-	-	-	-	-
Telephone/Data	-	-	-	-	-	-
Office Equipment Leases	-	-	-	-	-	-
Well Leases	-	-	-	-	-	-
Field Supplies/Equipment	-	25,000	-	-	-	25,000
Elections	-	-	-	-	-	-
Uniforms	-	-	-	-	-	-
Legal Services	20,000	100,000	200,000	10,000	-	330,000
Professional Services	200,000	750,000	2,000,000	250,000	200,000	3,400,000
Meter Contractor	-	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-	-
Land Acquisition	10,000	-	100,000	-	-	110,000
Information Technology	-	-	-	-	-	-
Licensed Contractors	2,000,000	1,000,000	5,000,000	1,500,000	500,000	10,000,000
Vehicle Maintenance	-	-	-	-	-	-
Vehicle Purchase	-	-	-	-	-	-
Meters	-	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-	-
Rebates	-	-	-	-	-	-
City Connection Water Charges	-	-	-	-	-	-
Water Sampling	-	-	-	-	-	-
Bond Administration Fee	-	-	-	-	-	-
DWR Note Payable	-	-	-	-	-	-
SWRCB Loan	-	-	-	-	-	-
2015 Bond	-	-	-	-	-	-
2016 Bond	-	-	-	-	-	-
2016 Bond Payment Interest	-	-	-	-	-	-
Total Expenditures	**$ 2,261,497**	**$ 1,919,652**	**$ 7,525,173**	**$ 1,786,786**	**$ 702,634**	**$ 14,195,743**

Note: Totals may not tie due to rounding.

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

Position	Total Salary & Benefits	Capital Projects Fund 30											
		Capital Projects											
	Includes 10% Allowance for Non-Exempt	Basin Monitoring Improvements		College Lake Intergrated Resources Management Project		Watsonville Slough System Managed Recovery & Recharge Project		Supplemental Well #3 Project		RWF Capital Projects		**Total**	
		%	$	%	$	%	$	%	$	%	$	%	$
Agency Administration													
General Manager	405,756	2%	8,115	2%	8,115	8%	32,461	2%	8,115	0%	-	14%	56,806
Finance & Administrative Services Manager	281,915	1%	2,819	1%	2,819	2%	5,638	0%	-	0%	-	4%	11,277
Financial Analyst	204,509	0%	0	1%	2,045	0%	-	0%	-	0%	-	1%	2,045
Executive Assistant/Board Secretary	163,602	3%	4,908	1%	1,636	10%	16,360	0%	-	0%	-	14%	22,904
Customer Service Rep	176,883	0%	0	0%	-	0%	-	0%	-	0%	-	0%	-
Account Clerk	146,990	0%	0	0%	-	0%	-	0%	-	0%	-	0%	-
											-	0%	-
Operations											-	0%	-
Operations & Maintenance Manager	263,418	0%	-	3%	7,903	5%	13,171	5%	13,171	1%	2,634	14%	34,244
Water System Operator II (x 2)	379,992	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Operations & Maintenance Technician	197,966	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Water Meter Program Coordinator	191,420	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Field Technician	127,120	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Maintenance Technician	139,423	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Senior Hydrologist	248,472	3%	7,454	2%	4,969	7%	17,393	0%	-	0%	-	12%	29,817
Associate Hydrologist (Vacant)	216,506	3%	6,495	1%	2,165	10%	21,651	0%	-	0%	-	14%	30,311
Water Resources Technician	154,444	0%	-	0%	-	2%	3,089	0%	-	0%	-	2%	3,089
Water Conservation & Outreach Specialist	170,552	1%	1,706	0%	-	2%	3,411	0%	-	0%	-	3%	5,117
Intern	21,827	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Total Salaries & Benefits	**3,490,795**		**31,497**		**29,652**		**113,173**		**21,286**		**2,634**		**195,609**

Note: Totals may not tie due to rounding.

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Debt Service Payments
Service Expense Group Summary

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

Note Payable – Department of Water Resources (DWR)
The Agency entered into a promissory note on June 15, 2005, with the DWR in the amount of $3,511,446. The loan proceeds were used for the construction of projects identified in the Revised BMP (2002). Principal and interest for FY26-27 amount to $251,416, with interest at 2.4%. The final payment on this note is due September 30, 2027.

Bond Payable – 2015 Water Revenue Refunding Bonds
The Agency issued Water Revenue Refunding Bonds in the amount of $19,970,000 in 2015 primarily to refinance the 1999 Certificate of Participation and two State Water Resources Control Board loans used to construct Harkins Slough Managed Aquifer Recharge and Recovery Facilities, the Coastal Distribution System, and Blend Wells. Principal and interest for FY26-27 amounts to $1,141,600, with interest ranging from 3% to 5%. The final payment on this bond is due March 1, 2029.

Bond Payable – 2016 Water Revenue Refunding Bonds
The Agency issued Water Revenue Refunding Bonds in the amount of $11,435,000 in 2016 to refinance the City of Watsonville's 2007 Water Revenue Bonds for costs associated with the design and construction of the Recycled Water Facility. Principal and interest for FY26-27 amount to $805,050, with interest ranging from 3% to 5%. The final payment on this bond is due March 1, 2036.

Clean Water State Revolving Fund (SRF) – State Water Resources Control Board (SWRCB)
The Agency was awarded grant and loan funding from the California State Water Resources Control Board's Clean Water SRF "Water Recycling Construction Financing" program in February 2016. The loan amount is $1,978,522 at an interest rate of 1% for 30 years. The projects funded by this agreement are the Recycled Water Storage and Distribution Pump Station Improvements Project, and the Recycled Water Facility Disk Filter Upgrade Project. Principal and interest for FY26-27 amount to $76,206. The final payment on this loan is due July 1, 2050.

2023 Water Revenue Certificates of Participation
The Agency issued a debt obligation in the form of Certificates of Participation to raise $40,390,000 for the College Lake Project in June 2023 with interest ranging from 4% to 5%. Interest for FY26-27 amounts to $1,746,375. The final payment on this bond is due March 1, 2053.

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

- The 2024 Water Revenue Certificate of Participation, Series A loan, in an amount of $43,109,270 at an interest rate of 4.47%, partially funds the College Lake Project. Interest only payments begin in FY26-27 in the amount of $2,038,283. The final maturity of the Series A loan is March 1, 2060.

- The 2024 Water Revenue Certificate of Participation, Series B loan, in an amount of $31,099,063 at an interest rate of 4.46%, partially funds the Watsonville Slough System Managed Aquifer Recharge and Recovery Project. The first payment of approximately $1,688,812 commences 3 years after the date of the first draw of funds. The final maturity of the Series B loan is March 1, 2063.

Table 14. Debt Service Summary

July 1, 2026 to June 30, 2027	
Expenditures	
DWR Note Payable Principal	244,029
DWR Note Interest	7,386
SWRCB Loan Principal	60,017
SWRCB Loan Interest	16,189
2015 Bond Payment Principal	1,045,000
2015 Bond Payment Interest	96,600
2016 Bond Payment Principal	555,000
2016 Bond Payment Interest	250,050
2023 COPs (Interest only)	1,746,375
WIFIA Series A (College Lake) Interest Only	2,038,283
WIFIA Series B (WS-MARR)	-
Total Expenditures	**$ 6,058,930**

Note: Totals may not tie due to rounding.

Table 15. Bond Covenant Summary

BOND COVENANT TEST	
Bond Principal	$1,904,047
Bond Interest	4,154,884
Annual Payment	6,058,930
@ 110%	6,664,823
Water Service Gross Revenue	18,315,668
Water Service O&M Costs	11,536,595
Net Revenue	6,779,073
Over Debt Covenant	**$114,250**

Note: Totals may not tie due to rounding.

The Bond Covenant Test shows this budget satisfies the requirements of the bond debt covenant agreements in excess of $114,250.