PAJARO VALLEY WATER MANAGEMENT AGENCY

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

Board of Directors Meeting
March 16, 2022, 6:00 p.m. **Teleconference**

BOARD MEETING AGENDA

Due to COVID-19, Public access is limited to teleconference. See below for instructions.

Agenda Item

Note: The Board may take action on any item listed on the agenda.

1. Call to Order

2. Roll Call of the PV Water Directors: Amy Newell (Chair), Stephen Rider (Vice-Chair), Javier Zamora, Bob Culbertson, Mary Bannister, Tom Broz, Abel Sanchez

3. Pledge of Allegiance

4. Oral Communications

This time is set aside for members of the general public to address the Board of Directors on any item not on the Agenda, and that is within the subject matter jurisdiction of the Board of Directors. Each speaker is allotted up to 3 minutes. No action or discussion shall be taken on any item presented except that the Board may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters pertaining to the Board may be scheduled for discussion at a future meeting or referred to staff for clarification or a report, at the pleasure of the board.

5. Closed Session –2 Items:

Conference with Real Property Negotiators – (Cal. Gov't Code §54954.5 & 54956.8)

a. Property APN's and Owners:
College Lake

1) 051-101-47, 48, 49, Jacqueline L. Copriviza, Successor Trustee of the Tony and Mary Lipanovich 1991 Revocable Trust Dated June 19, 1991;
2) 051-101-10 & 12, Tony T. Lazaro & Lisa G. Lazaro, Husband and Wife as Community Property;
3) 051-101-19 & 18, De Sieyes Brothers LLC;
4) 051-101-20 & 15, Taurino Gomez and Maria Gomez, Husband and Wife;
5) 051-101-13 & 22, Taurino Gomez and Maria Gomez, Husband and Wife;
6) 051-101-11, 24, Janet B. Banovac, Trustee of the Janet Braycovich Banovac Separate Property Trust;
7) 051-101-50, Diffenbaugh Family Farms LLC;
8) 051-101-54 & 051-031-28, Glenn C. Noma and Pamela Lynn Noma, Trustees under the Glenn and Pamela Noma 1999 Revocable Trust Dated 2-16-1999, as to an Undivided One Half interest and Brian A. Murakami, Trustee of the Murakami Family Trust, as to an Undivided One Half Interest;
9) 051-441-01, Mashito Hiramine and Yoko Hiramine, Trustees of the Masahito & Yoko Hiramine Family Trust for the Benefit of Masahito Hiramine & Yoko Hiramine;
10) 051-441-02, Tony T. Lazaro and Liza G. Lazaro Revocable Inter Vivos Trust;

11) 051-441-11 & 04, Frank W. Capurro, as Successor Trustee of the Capurro Survivor's Trust UAD June 6, 1984, as to an undivided Twenty Five Percent Interest, Frank W. Capurro, as Successor Trustee of the Capurro Bypass Trust UAD June 6, 1984, as to an Undivided Twenty Five Percent Interest, Paul A. Scherer, An Unmarried Man, an Undivided Twenty Five Percent Interest and John R. Scherer, An Unmarried Man, an Undivided Twenty Five Percent Interest;
12) 051-441-12, Jessie Maragoni, Trustee of the Maragoni Surviving Spouse "A" Trust;
13) 051-441-24, David Vasquez and Elia E. Vasquez, Husband and Wife as Joint Tenants;
14) 051-441-27 & 28, The Roman Catholic Bishop of Monterey, California, A Corporation;
15) 051-651-05 & 01, F. Allen Harryman and Janice C. Harryman, as successor co-trustees of the Janet Imwalle Trust dated February 10, 1994 , subject to exception from Preliminary Title Report

Pipeline:

1) 018-341-25, Harvest Drive Properties, LLC
2) 051-221-02, Jorge Olivarez and Maria C. Olivarez, Husband and wife as Community Property with Right of Survivorship
3) 051-221-26, Ag Land, Inc., A California Corporation
4) 051-221-30, Ag Land, Inc., A California Corporation
5) 051-221-32, Coast Cooling, Inc., A California Corporation
6) 051-221-33, Taurino Gomez and Maria Gomez, Husband and Wife, as Joint Tenants
7) 051-221-34, Del Mar Farms, A California General Partnership
8) 051-741-01, V. R. Walker Co., An Illinois Corporation
9) 051-741-03, Shikuma Properties, LLC
10) 051-741-05, Richard J. Peixoto, A Married Man, as His Sole and Separate Property
11) 051-741-06, Brian F. Maridon, As Trustee of the Brian F. Maridon Trust Dated April 1994 As To An undivided 66.97% Interest and Russel J. Maridon and Stephanie Maridon, As Trustees for the Russel and Stephanie Maridon Family Trust Dated April 1994 As To An Undivided 33.03% Interest
12) 051-741-07, Randolph K. Repass and Sally-Christine Rodgers 1996 Revocable Trust Dated 6/26/96, Randolph K. Repass and Sally-Christine Rodgers as Trustees, an Undivided 55% Interest and Randolph K. Repass and Sally-Christine Rodgers, Trustees of the Kent-Harris Repass 2020 Irrevocable Trust Dated November 20, 2020, an Undivided 45% Interest
13) 052-243-01, JAL Berry Farms, LLC, A California Limited Liability Company, Subject to Exceptions in Preliminary Title Report
14) 052-243-10, Lakeside Organic Gardens, LLC, A California Limited Liability Company
15) 052-243-15, Watsonville Exchange, Inc., A California Corporation
16) 052-243-16, Watsonville Exchange, Inc., A California Corporation
17) 052-243-17, Lakeside Organic Gardens, LLC., A California Limited Liability Company
18) 052-243-18, Lakeside Organic Gardens, LLC.,A California Limited Liability Company
19) 052-243-20, 21, West Coast Pre-Cooling – Watsonville, LLC
20) 052-272-01, John Martin Colendich, A Married Man, AS His Sole and Separate Property; Kara Therese Colendich, A Single Woman, As Her Sole and Separate Property; Connie A. Vukasovich-Haines and Jeanne L. Vukasovich, Trustee of Trust B Under the John M. Vukasovich and Virginia Vukasovich Revocable Living Trust Under Agreement Dated June 5, 2992, Dianna V. Hersch, A Married Woman, As Her Sole and Separate Property; Martin John Vukasovich, A Single Man, As His Sole and Separate Property; Jeanne Vukasovich, Trustee, or Her Successor(s) of the Jeanne Vukasovich 2016 Revocable Trust Dated 12/14/2016; and George W. Haines and Connie A. Vukasovich-Haines, Trustees, or Their Successor(s), of the Haines 2020 Revocable Trust Dated October 28, 2020, all As Their Respective Interests Appear of Record
21) 052-371-01, 02, JAL Berry Farms LLC, A California Limited Liability Company, subject to Exceptions from Preliminary Title Report

22) 052-581-04, Martin Kulish, Trustee of the Domacin Family Trust Dated September 3, 2012, An Undivided Ninety-Two and A Half (92.5%) Interest and Martin Kulish, Trustee of the Luce Domacin Qualified Domestic Trust, Established January 8, 2015, An Undivided Seven and A Half Percent (7.5%) Interest
23) 052-581-06, Hoover (CA) LLC, A Delaware Limited Liability Company Doing Business In The State Of California as Hoover Farm LLC, Subject to Exception from Preliminary Title Report
24) 052-581-09. David Frederick Willoughby, Successor Trustee of the Jeannette F. Willoughby 1999 Trust Dated 12/30, 1999, As To An Undivided 7.54% Interest, Subject to Exception from Preliminary Title Report, Christopher Michael Willoughby, As To An Undivided 46.23% Interest and David Frederick Willoughby, As To An Undivided 46.23% Interest

Agency Negotiators: Brian Lockwood, Richard Smith
Under Negotiation: Price, terms of payment or both

b. **Property**: Arnold (CA) LLC, A Delaware Limited Liability
Agency Negotiators: General Manager and Agency Counsel
Under Negotiation: Terms of Payment and Agreement for Use of Well

Open Session (anticipated to resume at 7 p.m.)

Report on Closed Session

6. Director Comments

7. Counsel Report

8. General Manager Report

9. Consent Agenda

All items appearing on the Consent Agenda are recommended actions which are considered to be routine and will be acted upon as one consensus motion. Any items removed will be considered immediately after the consensus motion. The Board Chair will allow public input prior to the approval of the Consent Agenda.

A. Adopt Resolution 2022-05 Re-Authorizing Remote Teleconference Meeting of the Legislative Bodies of the Pajaro Valley Water Management Agency Pursuant to Brown Act Provisions
B. Approve February 16, 2022 Minutes
C. Approve Financial Reports
D. Approve SB 114 Supplemental Paid Sick Leave
E. Adopt Resolution 2022-06, Authorizing Representatives to Sign and Act for the Pajaro Valley Water Management Agency at Mechanics Bank
F. Approve Amendment #1 with Fedak & Brown, LLP, for Financial Auditing Services through Fiscal Year June 30, 2026 in an amount not to exceed $125,067
G. Approve Engagement with Fedak & Brown, LLP, for Annual Audit Services for Fiscal Year Ending June 30, 2022
H. Adopt Resolution 2022-07, Designating General Manager, or Designee, as the Authorized Representative to file an Application and Execute Agreements with the California Department Conservation for a 2022 Multibenefit Land Repurposing Grant Program Grant
    1. Introduction by staff
    2. Questions from Board
    3. Public comment

4. Board discussion and deliberations
5. Board action

10. Informational Items

A. Basin Management Plan Implementation Update
B. Receive Summary of the Sustainable Groundwater Management Act (SGMA) Annual Report, Water Year 2021

11. Discussion and/or Action Items

A. Consider Resolution 2022-08, Finding, Determining, and Declaring that the Public Interest and Necessity Require the Acquisition of Interests in Certain Real Property (Assessor's Parcel Numbers 051-101-50; 051-101-13, 15, 20 & 22; 051-651-01 & 05; and 051-101-10 & 12 and 051-441-02) by Eminent Domain
   1. Introduction by staff
   2. Questions from Board
   3. Public comment
   4. Board discussion and deliberation
   5. Board action

12. Monthly Reports/Presentations

A. Facility Operations Report
   1. Receive 2022 Supplemental Water Production Monthly Summary Report
B. Board Committee Reports available at www.pvwater.org
C. Public Outreach Update

13. Correspondence

14. Future Meetings

A. Project & Facility Operations Committee, Wednesday, March 30, 2022, 3:00 p.m. Teleconference
B. Grower's Meeting, Tuesday, April 12, 2022, 10 a.m., Civic Plaza, Room A, 275 Main Street, Watsonville, Ca
C. Administration & Finance Committee, Tuesday, April 12, 2022, 3:00 p.m., Teleconference
D. Board of Directors Meeting, Wednesday, April 20, 2022, 7:00 p.m., Teleconference
E. Project & Facility Operations Committee, Wednesday, April 27, 2022, 3:00 p.m., Teleconference

Adjournment

NOTES

The City Council Chambers is an accessible facility. If you wish to attend a meeting and you will require assistance in order to attend and /or participate, please call the Agency at (831) 722-9292 in advance of the meeting and every effort made to accommodate your attendance and participation.

This agenda is subject to revision and maybe amended prior to the scheduled meeting. If amended, a Final Agenda to be posted at PV Water, 36 Brennan Street, Watsonville and at the location where meeting will be held, 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 1900 (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 Board Secretary at (831) 722-9292 during regular business hours at least 24 hours prior to the time of the meeting.

Agenda documents are available for review, on the Monday following posting of the agenda, in person at PV Water, 36 Brennan St. Watsonville, or on the website: https://www.pvwater.org/board-and-committees/director-agendas.php

Translation Services/Servicios De Traduccion

Spanish language translation is available on an as needed basis. Please make advance arrangements with the PV Water Board Secretary, 36 Brennan St. Watsonville, CA or by telephone (831) 722-9292.
Se proven servicios de interpretacion segun se necesiten. Sirvase contactar a la secretaria de Directiva de la Agencia para hacer preparativos.

Public Access to Board of Directors Meeting

You can attend the meeting from your computer, tablet or smartphone (may require app).
By Computer:
https://www.gotomeet.me/PVWater/board-of-directors
By Phone:
United States (Toll Free): 1 (877) 309-2073 Access Code: 347-473-301#
Please Note: Meeting materials are posted at: https://www.pvwater.org/director-agendas

Resolution 2022-05

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

Re-authorizing Remote Teleconference Meeting of the Legislative Bodies of the Pajaro Valley Water Management Agency Pursuant to Brown Act Provisions

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

WHEREAS, the Pajaro Valley Water Management Agency is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and,

WHEREAS, all meetings of Pajaro Valley Water Management Agency's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Agency's legislative bodies conduct their business; and,

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and,

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic; and,

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20 that suspended the teleconferencing rules set forth in the California Open Meeting law, Government code Section 54950 et seq. (the "Brown Act"), provided certain requirements were met and followed; and,

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21 that clarified the suspension of the teleconferencing rules set forth in the Brown Act, and further provided that those provisions would remain suspended through September 30, 2021; and,

WHEREAS, on September 16, 2021, Governor Newsom signed AB 361 which provides that a legislative body subject to the Brown Act may continue to meet without fully complying with the teleconferencing rules in the Brown Act, provided that a State of Emergency is declared by the Governor pursuant to Government Code section 8625, and either state or local officials have imposed or recommended measures to promote social distancing, or the legislative body determines that meeting in person would present imminent risks to the health or safety of attendees, and further requires that certain findings be made by the legislative body every thirty (30) days; and,

WHEREAS, the State of Emergency proclaimed by the Governor on March 4, 2020 remains in effect; and,

WHEREAS, California Department of Public Health ("CDPH") and the federal Centers for Disease Control and Prevention ("CDC") caution that the Omicron variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may still cause illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations (https://www.cdc.gov/coronavirus/2019-ncov/variants/omicron-variant.html); and,

WHEREAS, other variants of COVID-19 exist, including an Omicron subvariant, and it is unknown at this time whether other variants may result in a new surge in COVID-19 cases; and,

WHEREAS, due to the seriousness of the current pandemic situation, the CDPH requires that all individuals, regardless of vaccination status, wear face coverings indoors in specified high-risk settings; and,

WHEREAS, the CDPH and the Health Officers of Monterey County and Santa Cruz County strongly recommend that all individuals continue to wear face coverings while in indoor public settings; and,

WHEREAS, the Board of Directors is empowered to take actions necessary to protect public, health, welfare and safety within the region; and,

WHEREAS, the Agency has an important governmental interest in protecting the health, safety and welfare of those who participate in meetings of the Board of Directors and other Agency committees; and,

WHEREAS, in the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, the Board of Directors deems it necessary to find that meeting in person for meetings of the Board of Directors and Agency committees and subcommittees continues to present imminent risks to the health or safety of attendees, and thus intends to invoke the provisions of AB 361 related to teleconferencing as provided in subdivision (e) of Government Code section 54953; and,

WHEREAS, all teleconferenced meetings of the Agency Board of Directors and related committees or subcommittees shall comply with the requirements to provide the public with access to meetings as prescribed in paragraph (2) of subdivision (e) of Government Code section 54953; and,

WHEREAS, State of California and County of Santa Cruz health officials recommend various social distancing measures, including wearing mask indoors and limiting occupancies at meeting locations; and,

WHEREAS, the Board of Directors does hereby find and determine that the above conditions continue to create an imminent risk to the health and safety of attendees; and,

WHEREAS, the Board of Directors previously adopted Resolution 2021-15 on October 20, 2021, Resolution 2021-16 on November 17, 2021, Resolution 2021-18 on December 22, 2021, Resolution 2022-01 on January 19, 2022, and Resolution 2022-04 on February 16 finding that the requisite

conditions exist for the legislative bodies of the Agency to conduct remote teleconference meeting without compliance of paragraph (3) of subdivision (b) of section 54953; and,

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency and the Board of Directors has done so, as provided above.

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

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The Board of Directors finds that as a result of the ongoing proclaimed State of Emergency in California due to the COVID-19 pandemic, and COVID-19's continued spread, holding in person meetings of Agency legislative bodies continues to present imminent risks to the health or safety of attendees

Section 3. The General Manager and legislative bodies of Pajaro Valley Water Management Agency are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 4. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) thirty days from its adoption, or (ii) such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Pajaro Valley Water Management Agency may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **16th** day of **March 2022**, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Amy Newell, Chair

Attest:

_____
Laura R. Taay, Board Secretary

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Board of Directors Meeting **Teleconference**
February 16, 2022, 5:30 p.m.

DRAFT BOARD MEETING MINUTES

1. **Call to Order:** The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order at 5:31p.m. by Chair Newell, via teleconference

2. **Roll call of the PV WATER Directors:**

Board Members Present:	Newell, Culbertson, Zamora, Bannister, Broz, (5:34 p.m.) Rider, Sanchez (7:00 p.m.)
Board Members Absent:	None
Staff Members Present:	Brian Lockwood, General Manager (GM) Laura R. Taay, Board Secretary Marcus Mendiola, Water Conservation and Outreach Specialist (WCOS) Chuy Martinez, Water System Operations Supervisor (WSOS) Shinehah Bigham, Water System Operator (WSO) Juan Cadenas Santos, Maintenance Technician (MT) Jaime Marquez, Field Technician (FT)
Others Present:	Tony Condotti, Agency Counsel (AC) John Fio, Consultant, EKI Environmental & Water Rosemarie Imazio, Public Tom Rider, Public Richard Smith, Consultant

3. **Pledge of Allegiance**

4. **Oral Communications:** None

5. **Closed Session** – 2 Items**:**
Conference with Real Property Negotiators – (Cal. Gov't Code §54956.8)
a. **Property APN's and Owners:**
1) 051-101-47, 48, 49, Jacqueline L. Copriviza, Successor Trustee of the Tony and Mary Lipanovich 1991 Revocable Trust Dated June 19, 1991;
2) 051-101-10 & 12, Tony T. Lazaro & Lisa G. Lazaro, Husband and Wife as Community Property;
3) 051-101-19 & 18, De Sieyes Brothers LLC;
4) 051-101-20 & 15, Taurino Gomez and Maria Gomez, Husband and Wife;

5) 051-101-13 & 22, Taurino Gomez and Maria Gomez, Husband and Wife;
6) 051-101-11, 24, Janet B. Banovac, Trustee of the Janet Braycovich Banovac Separate Property Trust;
7) 051-101-50, Diffenbaugh Family Farms LLC;
8) 051-101-54 & 051-031-28, Glenn C. Noma and Pamela Lynn Noma, Trustees under the Glenn and Pamela Noma 1999 Revocable Trust Dated 2-16-1999, as to an Undivided One half Interest and Brian a. Murakami, Trustee of the Murakami Family Trust, as to an Undivided One Half Interest;
9) 051-441-01, Mashito Hiramine and Yoko Hiramine, trustees of the Masahito & Yoko Hiramine Family Trust for the Benefit of Masahito Hiramine & Yoko Hiramine;
10) 051-441-02, Tony T. Lazaro and Liza G. Lazaro Revocable Inter Vivos Trust;
11) 051-441-11 & 04, Frank W. Capurro, as Successor Trustee of the Capurro Survivor's Trust UAD June 6, 1984, as to an undivided Twenty Five Percent Interest, Frank W. Capurro, as Successor Trustee of the Capurro Bypass Trust UAD June 6, 1984, as to an Undivided Twenty Five Percent Interest, Paul A. Scherer, An Unmarried Man, an Undivided Twenty Five Percent Interest and John R. Scherer, An Unmarried Man, an Undivided Twenty Five Percent Interest;
12) 051-441-12, Jessie Maragoni, Trustee of the Maragoni Surviving Spouse "A" Trust;
13) 051-441-24, David Vasquez and Elia E. Vasquez, Husband and Wife as Joint Tenants;
14) 051-441-27 & 28, The Roman Catholic Bishop of Monterey, California, A Corporation;
15) 051-651-05 & 01, E. Allen Harryman and Janice C. Harryman, As Successor Co-Trustees of the Janet Imwalle Trust dated February 10, 1994

Agency Negotiators: Brian Lockwood, Richard Smith
Under Negotiation: Price, terms of payment or both

b. **Property**: Arnold (CA) LLC, A Delaware Limited Liability
Agency Negotiators: General Manager and Agency Counsel
Under Negotiation: Terms of Payment and Agreement for Use of Well

Open Session resumed at 7:01 p.m.

Report on Closed Session: AC Condotti reported discussion of 2 items – Real Property negotiations, as listed on Agenda. The Board received report from Agency Negotiators and gave staff direction to proceed. No reportable action.

6. Director Comments: Chair Newell reported she attended the ACWA Groundwater Committee Meeting, this afternoon, with GM Lockwood. There are 20 Groundwater Sustainability Agencies (GSA) in critically overdrafted basins that have submitted GSA Plans: 8 approved with some recommendations and 12 not approved.

7. Counsel Report: No report

8. General Manager Report: GM Lockwood reported on:

- Quick introduction of two new employees, Jaime Marquez and Juan Cadenas Santos, prior to their official introduction during the Facility Operations Annual Update – Item 10B.

- Attended ACWA committee meetings earlier today: Water Management Committee & Groundwater Committee; would attend the Ag Committee tomorrow, and WCOS would attend the Communications Committee.
-

9. Consent Agenda

A. Adopted Resolution 2022-04 Re-Authorizing Remote Teleconference Meeting of the Legislative Bodies of the Pajaro Valley Water Management Agency Pursuant to Brown Act Provisions
B. Approval of January 19, 2022 Minutes
C. Approval of Financial Reports
D. Approval of Proposed Budget Amendments for Fiscal Year 2021-2022

Action: Director Culbertson moved to approve the Consent Agenda; seconded by Director Rider.

Motion carried by the following voice vote:

AYES:	Newell, Culbertson, Zamora, Bannister, Broz, Rider, Sanchez
NOES:	None
ABSENT:	None
ABSTAIN:	None

10. Informational Items

A. Received Basin Management Plan Implementation Update from GM Lockwood
B. Received Presentation of Facility Operations from WSOS Martinez and WSO Bingham

11. Discussion and/or Action Items

A. Consider Amendment No. 3 to Agreement with EKI Environmental & Water, Inc.(EKI) for Harkins Slough Recharge & Recovery Facility Upgrades, in an amount no to exceed $70,500
GM Lockwood gave a brief summary of the current and past work EKI has completed for PV Water since August 2019. GM Lockwood then introduced John Fio who gave a brief description of work to be performed and completed.

Action: Director Bannister moved to approve Amendment No. 3, in substantially the same form as the version attached, to the Agreement with EKI Environmental & Water, Inc, for Modeling of Managed Aquifer Recharge and Recovery, in an amount not to exceed $70,500. Seconded by Director Rider.

Motion carried by the following voice vote:

AYES:	Newell, Culbertson, Zamora, Bannister, Broz, Rider, Sanchez
NOES:	None
ABSENT:	None
ABSTAIN:	None

12. Monthly Reports/Presentations

A. Facility Operations Report
   1. Received 2022 Supplemental Water Production Monthly Summary Report
B. Board Committee Reports available at www.pvwater.org
C. Public Outreach Update

13. Correspondence

14. Future Meetings

A. Project & Facility Operations Committee, Wednesday, February 23, 2022, 3:00 p.m. Teleconference
B. Administrative/Finance Committee, Tuesday, March 8, 2022, 3:00 p.m., Teleconference
C. Board of Directors, Wednesday, March 16, 2022 ,7:00 p.m., Teleconference
D. Project & Facility Operations Committee, Wednesday, March 30, 2022, 3:00 p.m., Teleconference

Adjourned at 8:35 p.m.

_____ _____

Laura R. Taay, Board Secretary **Date Approved**

PAJARO VALLEY WATER MANAGEMENT AGENCY

Account Activity Report per Bank Statement

		Date	Deposits	Withdrawals	Balance
CLEARING ACCOUNT - Mechanics					
Beginning Balance		1/1/2022			$235,071
Cash Receipts					
Disbursements				510,203	
Transfers			547,606		
Bank Fees					
	Ending Balance	1/31/2022			$272,474
GENERAL FUND10-MMA Mechanics					
Beginning Balance		1/1/2022			$1,116,833
Cash Receipts			3,247		
Transfers				28,697	
Interest Earned			37		
Bank Fees					
	Ending Balance	1/31/2022			$1,091,420
GENERAL FUND 10 - LAIF					
Beginning Balance		1/1/2022			$2,188,320
Transfers					
Interest Earned	(a/o 1/15/22)		1,260		
	Ending Balance	1/31/2022			$2,189,580
GENERAL FUND 20 - LAIF					
Beginning Balance		1/1/2022			$8,035,568
Transfers					
Interest Earned	(a/o 1/15/22)		4,626		
	Ending Balance	1/31/2022			$8,040,194
SPECIAL REVENUE FUND 20-ACH Clearing Acct Mechanics					
Beginning Balance		1/1/2022			$0
Cash Receipts					
Transfers					
Disbursments/ACH-Wire					
Bank Fees					
	Ending Balance	1/31/2022			$0
SPECIAL REVENUE FUND 20-Operating Mechanics					
Beginning Balance		1/1/2022			$205,854
Cash Receipts			1,252,733		
Transfers				1,268,909	
Disbursments/ACH-Wire					
Bank Fees				1,656	
Interest Earned					
	Ending Balance	1/31/2022			$188,022
SPECIAL REVENUE Fund 20 Cash Mgmt-FUND20MMN Mechanics					
Beginning Balance		1/1/2022			$8,840,771
Transfers			750,000		
Disbursments/ACH-Wire					
Bank Fees					
Interest Earned			317		
	Ending Balance	1/31/2022			$9,591,088
Certificate of Deposit - DWR Loan Reserve Mechanics Fund 40					
Beginning Balance		1/1/2022			$254,160
Interest Earned			136.94		
	Ending Balance	1/31/2022			$254,297

Prior Month Ending Cash Balance:	Total Deposits:	Total Withdrawals:	Month End Cash Balance:
20,876,580	$2,559,963	$1,809,465	21,627,076
Cash Transfers	1,297,606	1,297,606	(0)
Actual Cash Receipts/Disbursements	1,262,358	511,859	
			$21,627,076

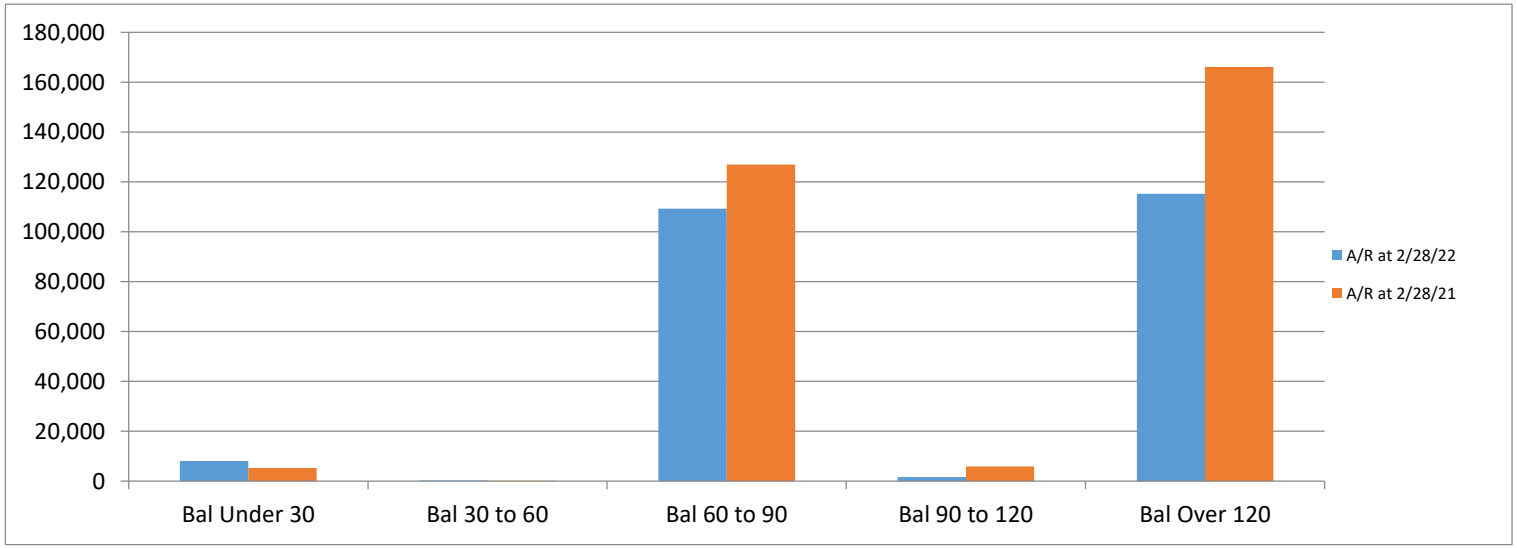
PAJARO VALLEY WATER MANAGEMENT AGENCY
INVESTMENT REPORT
ALL FUNDS
January 31, 2022

Description		Current Yield	Investment	% of Total Portfolio	Weighted Yield
MechanicsClearing Account		0.00%	**$272,474**	1.26%	0.00%
General Fund 10					
Mechanics General Fund 10 Money Market Account		0.04%	1,091,420	5.05%	0.00%
Local Agency Investment Fund		0.23%	2,189,580	10.12%	0.02%
			$3,281,000		
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%	188,022	0.87%	0.00%
Mechanics Special Revenue Fund 20 Money Market Account		0.04%	9,591,088	44.35%	0.02%
Local Agency Investment Fund		0.23%	8,040,194	37.18%	0.09%
			$17,819,304		
Long Term Debt Fund 40					
Mechanics Certificate of Deposit DWR Loan Reserve		0.10%	**$254,297**	1.18%	0.00%
	0.00	**Total:**	**$21,627,076**	**100.0%**	

Total Funds Reserved (DWR Fund 40)	254,297
Total Funds Invested	20,912,282
Total Funds Non-interest Bearing	460,496.00
Total Funds	**$21,627,076**
Total Available Funds	21,372,778
Cash Reserve Policy Requirements (PV Water)	5,790,000
Surplus (Deficit) of Funds	**$15,582,778**

PV Water
Accounts Receivable Aging 3 Month Trend
As of 2/28/2022

	Balance Forward	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Accounts Receivable before credits	234,485	8,095	258	109,297	1,634	115,201
Credits	-5,999					
Total Accounts Receivable at 2/28/22	228,486					
Accounts Receivable before credits	304,345	5,260	127	126,924	5,887	166,148
Credits	(11,611)					
Total Accounts Receivable at 2/28/21	292,734					
Accounts Receivable before credits	940,493	272	795,677	11,630	0	132,914
Credits	(20,415)					
Total Accounts Receivable at 1/31/22	920,078					
Accounts Receivable before credits	2,826,517	2,671,579	13,941	0	52,101	88,896
Credits	(19,960)					
Total Accounts Receivable at 12/31/21	2,806,558					



Accounts Payable

Checks by Date - Detail by Check Date

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Printed: 3/2/2022 9:19 AM

Check No	Vendor Invoice	Vendor Descrip	Check Date Reference	Check
37524	S2461	STATE OF CA/SECRETARY OF STATE	02/08/2022	
	CERT.COPIES	Certified copies of Statement of Facts filed on 6/2021		20.00
Total for Check Number 37524:				20.00
Total for 2/8/2022:				20.00
ACH	T333	THE BANK OF NEW YORK MELLON TRUST CO.	02/10/2022	
	PAJAROVWMA15	WaterBond2016 and 2015 pmt.		2,706,981.25
Total for this ACH Check for Vendor T333:				2,706,981.25
37525	A800	A TOOL SHED EQUIPMENT RENTAL INC.	02/10/2022	
	1548883-6	Pipe markers for CD's Underground Valves for 1/22		70.00
Total for Check Number 37525:				70.00
37526	A190	ACE HARDWARE OF WATSONVILLE INC	02/10/2022	
	211338/211339	CD's Field Supplies for 1/22		171.42
Total for Check Number 37526:				171.42
37527	C103	CBEC ECO ENGINEERING INC	02/10/2022	
	17-1003-6-1	CL/PS.Hydrologic Monitoring 2022-20231 for 10/1 to 12/31/21		15,363.00
	191024-2-8	CL Fishway Tech Support/ Env for 12/1-12/31/21		704.25
Total for Check Number 37527:				16,067.25
37528	W400	CITY OF WATSONVILLE UTILITIES	02/10/2022	
	ACC#25586	CD's Potable City Connection Usage for Oct-Dec 2021		40,889.41
Total for Check Number 37528:				40,889.41
37529	F199	FEDAK & BROWN LLP	02/10/2022	
	220117	Prep. of the State Controller's report YR ended. for 1/22		625.00
Total for Check Number 37529:				625.00
37530	G190	GREEN RUBBER KENNEDY AG. INC.	02/10/2022	
	W-564068	CD's Field Supplies/Maint. for Recovery Wells for 1/22		209.27
Total for Check Number 37530:				209.27
37531	K89	KARAS TECHNICAL SERVICES	02/10/2022	
	14869	2020 Annual report Professional Services for 12/21		1,120.00
Total for Check Number 37531:				1,120.00
37532	M2300	McCROMETER, INC.	02/10/2022	
	559244-RI	Annual Telemetry & Pro Hosting MCC Subscri for 1/22 to 12/31/22		9,523.20
Total for Check Number 37532:				9,523.20
37533	M900	MERRY MAIDS	02/10/2022	
	1/15 thru 1/29/22	Monthly Office housekeeping for 1/15 to 1/29/22		316.00
Total for Check Number 37533:				316.00
37534	P1160	MIKE PODLECH	02/10/2022	
	2330	CL Fisheries Support Prof. Services for 1/1 to 1/31/22		1,080.00
Total for Check Number 37534:				1,080.00
37535	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	02/10/2022	
	220107-11	Water Samples Groundwater for 1/7/22		650.00

Check No	Vendor Invoice	Vendor Descrip	Check Date Reference	Check
	220107-14	Water Samples Groundwater for 1/7/22		180.00
	220107-15	Water Samples Surface for 1/7/22		1,655.00
Total for Check Number 37535:				2,485.00
37536	O411	O'REILLY AUTO PARTS	02/10/2022	
	2912-132556	Vehicle Maint. & Repairs for Vehicle# 1 for 2/7/22		32.12
Total for Check Number 37536:				32.12
37537	P629	PASILLAS TIRE SERVICES, INC	02/10/2022	
	39886	Veh. Maint. Full service on Truck #1 for 1/22		523.81
Total for Check Number 37537:				523.81
37538	P180	PENINSULA MESSENGER LLC	02/10/2022	
	393045	Monthly RaboBank Courier for 1/22		85.50
	393045	Monthly RaboBank Courier for 1/22		28.50
Total for Check Number 37538:				114.00
37539	P800	PG & E	02/10/2022	
	2926809320-9	Service at 36 B Brennan St for 12/21 to 1/20/22		122.81
	2926809320-9	Service at 36 B Brennan St for 12/21 to 1/20/22		40.94
	3771390038-1	Service at Jensen Rd #3 for 12/21 to 1/18/22		28.31
	4291054495-8	Service at 475 San Andreas Rd for 12/21 to 1/19/22		356.71
	5290624576-7	Service at 2240 Beach Rd for 12/21 to 1/18/22		19.53
	5916054391-0	Service at 187C San Andreas Rd for 12/21 to 1/19/22		848.85
Total for Check Number 37539:				1,417.15
37540	P400	PVI PAJARO VALLEY IRRIGATION, INC.	02/10/2022	
	INV200058117	Conservation supplies for 1/22		1,276.47
Total for Check Number 37540:				1,276.47
37541	S830	RESOURCE CONSERVATION SANTA CRUZ COUNTY R	02/10/2022	
	21 IE 04	Irrigation Efficiency for 10/1-12/31/21		70,497.87
Total for Check Number 37541:				70,497.87
37542	S1405	SC FUELS INC	02/10/2022	
	0502137	Agency Vehicles Fuel for 1/18 to 1/28/22		496.93
Total for Check Number 37542:				496.93
37543	S1681	SHAMROCK OFFICE SOLUTIONS	02/10/2022	
	569730	Monthly Office Printer for 1/2--2/1/22		123.56
Total for Check Number 37543:				123.56
37544	S1732	SHERWIN-WILLIAMS	02/10/2022	
	0373-6	Paint Maint.for Underground Valve Covers for 1/22		140.52
Total for Check Number 37544:				140.52
37545	S2550	STATE OF CA. BOARD FOR PROFESSIONAL ENGINNEF	02/10/2022	
	CERT#8639	Cert#8639 Hydrologist License Rnwal for 3/2022-3/2023		180.00
	CERT#987	Cert#987 Hydrologist License Rnwal for 3/2022-3/2023		180.00
Total for Check Number 37545:				360.00
37546	S2461	STATE OF CA/SECRETARY OF STATE	02/10/2022	
	CERTIFICATE	Certificate of Status Fee for 2/22		10.00
Total for Check Number 37546:				10.00
37547	T100	TAYLOR'S OFFICE CITY, INC.	02/10/2022	
	331463 & 331302	Office Supplies for 1/22		367.17
Total for Check Number 37547:				367.17
37548	T305	TELSTAR INSTRUMENTS, INC.	02/10/2022	
	110887	Vehicle/tools/test equip/reports & Materials for 2/22		4,980.00
Total for Check Number 37548:				4,980.00
37549	U185	U.S. BANK EQUIPMENT FINANCE	02/10/2022	

Check No	Vendor Invoice	Vendor Descrip	Check Date Reference	Check
	463194902	RICOH Office Copier (upstairs) for 1/22		79.19
Total for Check Number 37549:				79.19
37550	Z100	ZAG TECHNICAL SERVICES, INC.	02/10/2022	
	120918	IT-Professional Prefered Support Agreement for 1/22		97.50
	121051	IT-Agreement Patching & AV Managed for 2/22		1,620.00
	121071	IT-Professional Prefered Support Agreement for 2/22		390.00
Total for Check Number 37550:				2,107.50
Total for 2/10/2022:				2,862,064.09
ACH	A1250	AFLAC- FLEX ONE	02/11/2022	
	EEDeferrals	EE PR Deferrals		582.46
Total for this ACH Check for Vendor A1250:				582.46
ACH	A300	ACWA/JPIA	02/11/2022	
	0681548	New EE JRuef-backprems3mo.		2,673.96
	0681548	EE PR Deferrals		29,113.02
Total for this ACH Check for Vendor A300:				31,786.98
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	02/11/2022	
	EEDeferrals	EE PR Deferrals		3,400.00
Total for this ACH Check for Vendor N125:				3,400.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	02/11/2022	
	EEDeferrals	EE PR Deferrals		1,690.71
	EEDeferrals	ER/EE Retirement Contributions		9,403.43
Total for this ACH Check for Vendor P1300:				11,094.14
ACH	P555	PVWMA-Cafeteria Account	02/11/2022	
	EEDeferrals	EE PR Deferrals		1,040.71
Total for this ACH Check for Vendor P555:				1,040.71
Total for 2/11/2022:				47,904.29
ACH	A1250	AFLAC- FLEX ONE	02/25/2022	
	EE Deferrals	EE PR Deferrals		582.46
Total for this ACH Check for Vendor A1250:				582.46
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	02/25/2022	
	EE Deferrals	EE PR Deferrals		3,400.00
Total for this ACH Check for Vendor N125:				3,400.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	02/25/2022	
	EE Deferrals	EE PR Deferrals		1,690.70
	EE Deferrals	ER/EE Retirement Contributions		8,688.60
Total for this ACH Check for Vendor P1300:				10,379.30
ACH	P555	PVWMA-Cafeteria Account	02/25/2022	
	EE Deferrals	EE PR Deferrals		1,040.71
Total for this ACH Check for Vendor P555:				1,040.71
ACH	T359	THE STANDARD INSURANCE COMPANY	02/25/2022	
	00-649299-0087	Long Term Disability Benefits		583.03
Total for this ACH Check for Vendor T359:				583.03
37551	A400	ACWA/JPIA WORKERS COMP	02/25/2022	
	P025-100121-12312	Worker's Compensation Insuranc		4,732.82
Total for Check Number 37551:				4,732.82
37552	UB*00533	AG LAND INC	02/25/2022	
		Refund Check 000096-005, 600 RIVERSIDE RD		3,781.51

Check No	Vendor Invoice	Vendor Descrip	Check Date Reference	Check
Total for Check Number 37552:				3,781.51
37553	UB*00537	AG LAND INC	02/25/2022	
		Refund Check 024785-000, 150 WAGNER AV		5,043.00
Total for Check Number 37553:				5,043.00
37554	A910	ATCHINSON,BARISONE,CONDOTTI	02/25/2022	
	33871	P/S General Matters for 12/1-12/31/21		1,551.50
	33871	P/S General Matters for 12/1-12/31/21		3,864.37
	33871	College Lake Legal Services for 12/1 to 12/31/21		3,606.40
	33890	College Lake Legal Services for 1/1 to 1/31/22		1,655.67
	33890	College Lake Legal Services for 1/1 to 1/31/22		904.40
	33890	College Lake Legal Services for 1/1 to 1/31/22		2,319.10
	33890	College Lake Legal Services for 1/1 to 1/31/22		26,649.05
	33891	P/S General Matters/Collections for 1/1-1/31/22		341.00
Total for Check Number 37554:				40,891.49
37555	A850	AVAYA FINANCIAL SERVICES.	02/25/2022	
	39378893	Phone/VM Lease Agreement for 1/1-2/1/22		388.24
Total for Check Number 37555:				388.24
37556	B102	BARTKIEWICZ, KRONICK & SHANAHAN INC	02/25/2022	
	8812.0001	General Professional Legal Services for 1/22		217.50
	8812.005/0006	Legal Prof. Service Watsonvielle Slough WSR for 1/22		1,240.00
Total for Check Number 37556:				1,457.50
37557	C960	CARDIFF PEST CONTROL INC	02/25/2022	
	0125193	Pest control Office Monthly fumigation for 1/22		110.00
Total for Check Number 37557:				110.00
37558	R40	CARDMEMBER SERVICE	02/25/2022	
	JAN2022	Office Supplies for 1/22		187.95
	JAN2022	Basin monitoring equip for 1/22		112.73
	JAN2022	Office supplies for 1/22		34.95
	JAN2022	Business EXPO for 1/22		200.00
	JAN2022	Office telephone conference for 1/22		54.78
	JAN2022	Office supplies for 1/22		200.10
	JAN2022	Uniforms for 1/22		186.66
	JAN2022	1 yr SG Site Scanner for 1/22		36.00
	JAN2022	Field supplies (battery) for 1/22		109.10
Total for Check Number 37558:				1,122.27
37559	C1099	CAROLLO ENGINEERS INC	02/25/2022	
	FB20052	BMP Program Mngmnt CL Planning Prog. report for 1/22		28,524.63
Total for Check Number 37559:				28,524.63
37560	c103	CBEC ECO ENGINEERING INC	02/25/2022	
	17-1003-5-14	CL/PS.Hydrologic Monitoring WY. 2021 for 1/1 to 1/31/22		2,946.00
	17-1003-6-2	CL/PS.Hydrologic Monitoring 2022-2023 for 1/1 to 1/31/22		1,345.00
Total for Check Number 37560:				4,291.00
37561	W400	CITY OF WATSONVILLE UTILITIES	02/25/2022	
	AC#02389-OFFICE	Office Monthly Utilities for 1/7 to 2/15/22		41.88
	AC#02389-OFFICE	Office Monthly Utilities for 1/7 to 2/15/22		125.62
Total for Check Number 37561:				167.50
37562	UB*00576	SALVADOR L. & AVELINA TRS CORONA	02/25/2022	
		Refund Check 001376-000, 58 JOHNSON RD		157.75
Total for Check Number 37562:				157.75
37563	F200	FEDERAL EXPRESS, INC.	02/25/2022	
	765846795	To: McCrometer for 2/1/22		167.28
Total for Check Number 37563:				167.28
37564	G190	GREEN RUBBER KENNEDY AG. INC.	02/25/2022	

Check No	Vendor Invoice	Vendor Descrip	Check Date Reference	Check
	W-564338	Parts for Recovery Wells/ Field Supplies for 2/22		300.49
Total for Check Number 37564:				300.49
37565	G330	GUTIERREZ CONSULTANTS, INC.	02/25/2022	
	1649	SWRCB Prop 1 Phase II Sup. Services for 12/1-12/31/21		2,684.00
Total for Check Number 37565:				2,684.00
37566	J301	JACOBS ENGINEERING GROUP INC.	02/25/2022	
	W8Y08700	Prof. Services CL Design for 1/1 to 1/28/21		65,733.48
Total for Check Number 37566:				65,733.48
37567	L551	LINDE GAS & EQUIPMENT INC.	02/25/2022	
	68774932	Carbon Dioxide 20Lbs for 2/22		68.54
Total for Check Number 37567:				68.54
37568	m2300	McCROMETER, INC.	02/25/2022	
	557463-RI	Short pay/ck#37400-Meter Parts Telemetry Project for 11/21		433.72
Total for Check Number 37568:				433.72
37569	M1060	MCE-MID COAST ENGINEERS, INC	02/25/2022	
	4016	Boundary Survey for 12/11-2/11/22		5,000.00
Total for Check Number 37569:				5,000.00
37570	M1872	MICROSOFT	02/25/2022	
	E0400HJH03	IT-Hydrology 365 Support for 1/17-2/16/22		12.50
Total for Check Number 37570:				12.50
37571	M1875	MICROSOFT AZURE	02/25/2022	
	E0600HKV4P	IT-Support Pay as You go for 12/12 to 1/11/22		14.94
Total for Check Number 37571:				14.94
37572	M1086	MILLER MAXFIELD, INC.	02/25/2022	
	0122PV	Public Outreach Consulting for 1/22		2,362.50
Total for Check Number 37572:				2,362.50
37573	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	02/25/2022	
	220120-56	Water Samples CDS for 1/20/22		1,250.00
	220120-60	Water Samples Groundwater for 1/20/22		90.00
	220126-63	Water Samples Surface for 1/26/22		270.00
	220126-65	Water Samples Surface for 1/26/22		350.00
	220131-24	Water Samples HSP for 1/31/22		460.00
	220202-76	Water Samples Groundwater for 2/2/22		780.00
	220202-78	Water Samples Groundwater for 2/2/22		1,300.00
	220204-20	Water Samples Groundwater for 2/4/22		130.00
Total for Check Number 37573:				4,630.00
37574	M1425	MONTEREY BAY PROFESSIONAL LANDSCAPE INC	02/25/2022	
	36842	Building Mo. Landscape Maint. For 2/22		202.00
Total for Check Number 37574:				202.00
37575	M1865	MONTGOMERY & ASSOCIATES	02/25/2022	
	9090-22-1	PV. Stakeholder Engagement P/S for 1/1 to 1/31/22		7,685.00
Total for Check Number 37575:				7,685.00
37576	O411	O'REILLY AUTO PARTS	02/25/2022	
	2912-133621	Vehicle Maint. & Repairs for Vehicle# 1 for 2/10/22		149.89
Total for Check Number 37576:				149.89
37577	P800	PG & E	02/25/2022	
	1787734656-3	Service at 1859 Beach rd for 1/7 to 2/7/22		517.91
	9214983032-2	Service at 1931 Beach rd for 1/7 to 2/7/22		668.17
	9968544374-1	Service at 36 Brennan St for 1/7 to 2/7/22		222.17
	9968544374-1	Service at 36 Brennan St for 1/7 to 2/7/22		666.50

Check No	Vendor Invoice	Vendor Descrip	Check Date Reference	Check
Total for Check Number 37577:				2,074.75
37578	P400	PVI PAJARO VALLEY IRRIGATION, INC.	02/25/2022	
	INV200058363	Field Supplies Well Pump Testing parts for 2/22		49.03
	INV200058377	Field Supplies Valve Protection project parts for 2/22		1,700.00
	INV200058378	Field Supplies RecoveryWell Pump parts for 2/22		49.65
	INV200058443	CD's Field Supplies for 2/22		128.56
Total for Check Number 37578:				1,927.24
37579	UB*00578	REITER BERRY FARMS	02/25/2022	
		Refund Check 024307-000, 1125 SAN JUAN RD		5,412.00
Total for Check Number 37579:				5,412.00
37580	S876	SANTA CRUZ SENTINEL	02/25/2022	
	1578005	Daily Office News paper 13 wks for 3/7 thru-5/29/22		85.33
Total for Check Number 37580:				85.33
37581	S2940	SMITH & ASSOCIATES, INC.	02/25/2022	
	D207960D	Professional Services Real Property Appraisals for 1/22		2,700.00
Total for Check Number 37581:				2,700.00
37582	T345	THE HOME DEPOT CREDIT SERVICES	02/25/2022	
	3214325/2522381	Field Supplies for 2/22		527.50
Total for Check Number 37582:				527.50
37583	U185	U.S. BANK EQUIPMENT FINANCE	02/25/2022	
	465205706	RICOH Office Copier for 2/22		207.62
	465614873	RICOH Office Copier (upstairs) for 2/22		79.19
Total for Check Number 37583:				286.81
37584	UB*00542	RUDY C & ESTHER H VASQUEZ	02/25/2022	
		Refund Check 001986-001, 65 SPRINGFIELD RD		828.10
Total for Check Number 37584:				828.10
37585	V369	VERIZON WIRELESS	02/25/2022	
	9898487665	Agency Personnel Cell Phones & equipt. for 1/2 - 2/1/22		393.93
Total for Check Number 37585:				393.93
37586	W80	WAGEWORKS INC.	02/25/2022	
	INV3440138	Mo. Admin & Compliance fee for 1/22		110.00
Total for Check Number 37586:				110.00
37587	W701	WEBER, HAYES & ASSOCIATES	02/25/2022	
	PHASE1 TESTING	Initial retainer APN+051-110-47,48,49 Holohan rd		1,000.00
Total for Check Number 37587:				1,000.00
37588	UB*00577	WILLOUGHBY FARMS INC	02/25/2022	
		Refund Check 025022-000,		4,589.62
Total for Check Number 37588:				4,589.62
37589	Z100	ZAG TECHNICAL SERVICES, INC.	02/25/2022	
	121182	IT-Monthly Subscription Agreement-Datto for 2/22		815.00
	121274	IT-Monthly Subscription MS-CSP for 2/22		192.00
Total for Check Number 37589:				1,007.00
Total for 2/25/2022:				217,039.83
		Report Total (77 checks):		3,127,028.21

MEMORANDUM

DATE: March 11, 2022
MEETING OF: March 16, 2022
TO: Board of Directors
FROM: General Manager
RE: **CONSENT AGENDA ITEM 9D:** Consider of COVID-19 Supplemental Paid Sick Leave (SB 114)

BACKGROUND

In response to the COVID-19 pandemic, both the federal and state government issued guidelines on Supplemental Paid Sick Leave (SPSL). On March 18, 2020, then President Trump signed into law the Families First Coronavirus Response Act (FFCRA), effective April 1, 2020 through December 31, 2020. The FFCRA included a provision for Emergency Paid Sick Leave (EPSL) that mandated all employers with less than 500 employees provide up to 80 hours of paid sick leave for COVID-19 related illness. On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA) of 2021, which with respect to FFCRA is optional for employers with less than 500 employees and provides for a voluntary extension of COVID-19 SPSL leave benefits through September 30, 2021.

In California, Governor Newsom signed Senate Bill (SB) 95 on March 19, 2021. As described in the governor's press release, the "legislation creates uniform, statewide policy to ensure employees have access to COVID-19 SPSL through September 30, 2021." However, the bill excluded small businesses. "Small businesses employing 25 or fewer workers are exempt from the legislation, but may offer SPSL and, if eligible, receive a federal tax credit." The law went into effect on March 29, 2021, applies retroactively to January 1, 2021 and terminates September 30, 2021. In May 2021, the Board approved COVID-19 SPSL for PV Water staff. Fortunately, staff were largely successful in avoiding COVID-19 in 2021 and as a result, used a minimal of SPSL.

On February 9, 2022, Governor Newsom signed SB 114, approving COVID-19 SPSL for 2022. Like SB 95, SB 114 only applies to California employers with more than 25 employees. It provides up to 80 hours of SPSL retroactively from January 1, 2022 through September 30, 2022.

DISCUSSION

PV Water has followed and complied with applicable FFCRA regulations throughout the COVID-19 pandemic, including with the Families First Sick Leave. The PV Water Board of Directors voted unanimously to opt-in to SB 95, due to number of employees being less than 25, in May 2021. Similarly, the Board would need to opt-in to SB 114.

FISCAL IMPACT

The maximum fiscal impact, which is an unlikely scenario, would be up to 80 hours of SPSL for each of PV Water's employees.

STAFF RECOMMENDATION
The Board approve COVID-19 Supplemental Sick Leave (SB 114).

The Administration & Finance Committee reviewed this item on March 8, 2022 and voted in favor of recommending Board approval.

ATTACHMENTS
- Link to SB 114: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB114

MEMORANDUM

DATE: March 11, 2022
MEETING OF: March 16, 2022
TO: Board of Directors
FROM: General Manager
RE: **CONSENT AGENDA ITEM 9E:** Consider Resolution 2022-06 Authorizing Representatives to Sign and Act for the Pajaro Valley Water Management Agency at Mechanics Bank

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BACKGROUND

Pajaro Valley Water Management Agency (PV Water) began banking with Rabobank on August 15, 2012. Mechanics Bank acquired Rabobank on 9/3/2019. PV Water staff recently met with Mechanics Bank representatives to evaluate PV Water's relationship with the bank, including services both provided and available.

DISCUSSION

Mechanics Bank representatives have requested a resolution authorizing PV Water representatives to sign and act on behalf of PV Water at the bank. A copy of the draft resolution is attached. Staff recommend that positions authorized to conduct business with Mechanics Bank align with the PV Water Check Signing Policy (Resolution 2020-10) and include the Board Chair, Vice Chair, and Treasurer, along with the General Manager or Interim General Manager, and Finance & Administrative Services Manager.

Staff are also working with Mechanics Bank on matters related to master signing cards, establishing daily sweep services from the newly created ACH clearing account to PV Water's primary operating account, increasing ACH payments to vendors, implementing dual controls, exploring additional fraud prevention services, and more.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

That the Board approve Resolution 2022-06 Authorizing Representatives to Sign and Act for the Pajaro Valley Water Management Agency at Mechanics Bank

The Administration & Finance Committee reviewed the draft resolution on March 8, 2022 and voted in favor of recommending Board approval.

ATTACHMENTS

- Resolution 2022-06 Authorizing Representatives to Sign and Act for the Pajaro Valley Water Management Agency at Mechanics Bank

Resolution 2022-06

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

Authorizing Representatives to Sign and Act for the Pajaro Valley Water Management Agency at Mechanics Bank

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

WHEREAS, PV Water established a banking relationship with Rabobank on August 15, 2012; and

WHEREAS, Mechanics Bank acquired Rabobank on September 3, 2019; and

WHEREAS, PV Water desires to authorize representatives for banking activities defined herein; and

WHEREAS, on October 21, 2020, the PV Water Board of Directors adopted Resolution 2020-10, Amending the Check Signing Policy, which requires that checks over $25,000 be signed by the General Manager or Designee, and one of the following: Chair, Vice Chair, or Treasurer.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Pajaro Valley Water Management Agency does hereby resolve that the Chair, Vice Chair, and Treasurer of the PV Water Board of Directors, the General Manager or Interim General Manager, and the Finance & Administrative Services Manager, the persons now or subsequently holding these positions, are authorized to sign and act on behalf of PV Water to:

1. Establish any banking accounts and services with Mechanics Bank.
2. Sign, or change in writing, any agreement with Mechanics Bank regarding PV Water's banking deposit relationship, including the use of automated teller services.
3. Specify in writing to Mechanics Bank the individuals who are authorized, in the name of and on behalf of PV Water to:
    a) Withdraw funds from any of PV Water's banking accounts on PV Water's checks or orders, subject to any multiple signature requirements, as set forth in a separate agreement between PV Water and Mechanics Bank and as stated in PV Water's Check Signing Policy.
    b) Send, review, and/or authorize wire and electronic transfers of funds from PV Water's deposit accounts, subject to policies establish by PV Water and Mechanics Bank.
    c) Otherwise access PV Water's deposit accounts.

This authority may be exercised at such time and on such terms as PV Water's designated representatives believe proper. This authority will remain in effect until Bank receives written notice of revocation at the office where PV Water's banking relationship is to be maintained.

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the 16th day of March 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Amy Newell, Chair

Attest:

Laura R. Taay, Board Secretary

MEMORANDUM

DATE: March 11, 2022
MEETING OF: March 16, 2022
TO: Board of Directors
FROM: General Manager
RE: **CONSENT AGENDA ITEM 9F:** Approve First Amendment to Agreement with Fedak & Brown LLP for Financial Auditing Services through Fiscal Year Ending June 30, 2026 in an amount not to exceed $125,067

BACKGROUND

Staff issued an Auditing Services Request for Proposals (RFP) in March 2017, following ten years of auditing services with Bartlett Pringle and Wolff. The RFP was posted on the California Society of Municipal Finance Officers website, PV Water's website, and sent to the following firms:

McGilloway, Ray, Brown, and Kaufman	Salinas
Hutchinson and Bloodgood	Watsonville
Burr, Pilger, Mayer Inc.	San Francisco
Fedak & Brown, LLP	Riverside

Staff received nine proposals and shortlisted five of the firms for interviews. On April 5, 2017, a panel consisting of the Board Chair, the General Manager, the Finance & Administrative Services Manager, and the Financial Analyst, conducted the interviews. After careful consideration, the panel identified Fedak & Brown, LLP as the front-runner to perform financial auditing services for the PV Water, and on April 17, 2017, the Board approved an agreement with Fedak & Brown, LLP, for financial auditing services for fiscal year ending June 30, 2017 in an amount not to exceed $22,455, with an optional additional 4-years of financial auditing services through fiscal year ending June 30, 2021 in an amount not to exceed 94,372.

DISCUSSION

Fedak & Brown, LLP, provided financial auditing services for PV Water over the last 5-years, and has done so efficiently and effectively, in collaboration with PV Water staff. Following Board approval of the most recent financial statements on December 22, 2021, staff requested that Fedak & Brown, LLP, provide a scope of work and cost estimate for financial auditing services for another 5 fiscal years. Staff propose to continue this work through an amendment of the initial agreement.

FISCAL IMPACT

The cost of the First Amendment to Agreement would be set to not exceed $125,067 for 5-years of financial auditing services.

STAFF RECOMMENDATION

That the Board approve the First Amendment to Agreement with Fedak & Brown LLP for Financial Auditing Services through Fiscal Year Ending June 30, 2026, in the amount not to exceed $125,067.

ATTACHMENT:

- First Amendment to Agreement with Fedak & Brown, LLP

Cost Proposal for
Financial Auditing Services

Pajaro Valley Water Management Agency

Prepared by:

Fedak & Brown LLP

Certified Public Accountants
Riverside, California & Cypress, California
(951) 977-9888 (657) 214-2307

Contact Persons:

Christopher J. Brown, CPA, CGMA, Partner
chris@fedakbrownllp.com
Andy Beck, CPA, Partner
andy@fedakbrownllp.com

Fedak & Brown LLP
Certified Public Accountants

Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Andy Beck, CPA

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

February 10, 2022

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

Re: Request for Proposal for Financial Auditing Services

Dear Mr. Lockwood:

Based on our understanding of the Pajaro Valley Water Management Agency (Agency) requirements, our fee for audit services at our discounted rates for the fiscal year ending June 30, 2022 will be **$22,236**. This fee is based on our understanding of the Agency's audit requirements.

Assuming there is no substantial change in the Agency's activities and operations, our fee for audit services for the optional fiscal years ending June 30, 2023 through 2026 will be **$22,524**, **$22,884, $23,244** and **$23,604**, respectively.

Our estimate for out-of-pocket expenses is a separate estimate and may not be utilized in total to the amount estimated. Again, these fees are based on the estimated costs to complete the audit. The components of this audit services fee proposal and out-of-pocket costs for the fiscal year ending June 30, 2022, through 2026, are itemized in the attached Exhibits.

Our not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services, if they are requested by the Agency.

I am authorized to make representations for Fedak & Brown LLP and am duly authorized to sign a contract with the Agency.

Christopher J. Brown

Christopher J. Brown, CPA CGMA

February 10, 2022
Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the fiscal year ending June 30, 2022 through 2026, the audit of the Agency will require approximately 180 audit hours. These hours, by major area, are summarized as follows:

Breakout of Audit Hours

Audit Steps	Partner	Manager	Supervisor	Staff	Total
Planning	4	4	6	6	**20**
Controls Testwork	4	8	16	24	**52**
Substantive Testwork	4	10	16	34	**64**
Reporting	8	14	14	8	**44**
	20	36	52	72	**180**

As shown above, we expect approximately 31% of engagement hours to come from the Partners and Managers assigned to the engagements.

Working on the premise that we will be provided with all the documents listed per our audit requirements (will be provided prior to commencement of fieldwork), we expect to perform the audit of the Agency at fees as stated in the attached Schedule of Professional Fees on Page 3 for the fiscal year ending June 30, 2021through 2026, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of Agency's personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice.

Based upon the present size and scope of the activities of the Agency, we expect to perform the services enumerated above at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit.

In accordance with your request for proposal and the Office of Management and Budget Circular A-128, we will maintain our work papers for a minimum of seven years and make them available to the Agency, state agencies, the General Accounting Office, and other parties upon the direction of the Agency. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Schedule of Professional Fees by Hours on Pages 4 through 5 of this cost proposal.

We want the Board to understand that we will provide **any** assistance and answer **any** questions that the Agency's staff or members of the Boards may have when they arise for the entire duration of our contract. We find it important to stay abreast of the Agency's activities and issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the Agency. Because of our experience in special districts and agencies, we will provide you with accounting updates (GASB) to assist in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

Exhibit II – Schedule of Professional Fees

Pajaro Valley Water Management Agency

Engagement Fees By Fiscal Year		Audit Service Fees*	Not-to-Exceed Estimate of Out of Pocket Costs**	Total Audit Fee	Additional Items	Total Engagement
Fiscal Year 2022	$	**22,236**	**1,450**	**23,686**	**625**	**24,311**
Fiscal Year 2023		**22,524**	**1,500**	**24,024**	**625**	**24,649**
Fiscal Year 2024		**22,884**	**1,500**	**24,384**	**625**	**25,009**
Fiscal Year 2025		**23,244**	**1,500**	**24,744**	**625**	**25,369**
Fiscal Year 2026		**23,604**	**1,500**	**25,104**	**625**	**25,729**
Total	$	**114,492**	**7,450**	**121,942**	**3,125**	**125,067**

* Professional audit services fees – labor only.

** Estimate of out-of-pocket costs consist of: travel, mileage, postage and printing costs. Out-of-pocket costs may not be fully utilized.

Exhibit III – Schedule of Professional Fees by Hours

Pajaro Valley Water Management Agency Fiscal Year 2022 Breakdown of Fees by Hours			
Fiscal Year 2022 Audit of:	**Hours**	**Hourly Rates**	**Total**
Agency's Basic Financial Statements			
Partner - Engagement & Technical	20	$ 160	$ 3,200
Manager	36	143	5,148
Supervisor	52	130	6,760
Staff	72	99	7,128
Total Financial Statement Audit for 2022	**180**		**22,236**
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			**1,450**
Total Maximum for 2022			**23,686**
Additional Items Asked to be Priced by the Agency			
Preparation of the Agency's Annual State Controller's Report	5	125	625
Total Maximum with Additional Items for 2022	**185**		**$ 24,311**

Pajaro Valley Water Management Agency Fiscal Year 2023 Breakdown of Fees by Hours			
Fiscal Year 2023 Audit of:	**Hours**	**Hourly Rates**	**Total**
Agency's Basic Financial Statements			
Partner - Engagement & Technical	20	$ 162	$ 3,240
Manager	36	145	5,220
Supervisor	52	132	6,864
Staff	72	100	7,200
Total Financial Statement Audit for 2023	**180**		**22,524**
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			**1,500**
Total Maximum for 2023			**24,024**
Additional Items Asked to be Priced by the Agency			
Preparation of the Agency's Annual State Controller's Report	5	125	625
Total Maximum with Additional Items for 2023	**185**		**$ 24,649**

Pajaro Valley Water Management Agency Fiscal Year 2024 Breakdown of Fees by Hours			
Fiscal Year 2024 Audit of:	**Hours**	**Hourly Rates**	**Total**
Agency's Basic Financial Statements			
Partner - Engagement & Technical	20	$ 164	$ 3,280
Manager	36	147	5,292
Supervisor	52	134	6,968
Staff	72	102	7,344
Total Financial Statement Audit for 2024	**180**		**22,884**
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			**1,500**
Total Maximum for 2024			**24,384**
Additional Items Asked to be Priced by the Agency			
Preparation of the Agency's Annual State Controller's Report	5	125	625
Total Maximum with Additional Items for 2024	**185**		**$ 25,009**

Exhibit III – Schedule of Professional Fees by Hours

Pajaro Valley Water Management Agency Fiscal Year 2025 Breakdown of Fees by Hours					
Fiscal Year 2025 Audit of:	**Hours**		**Hourly Rates**		**Total**
Agency's Basic Financial Statements					
Partner - Engagement & Technical	20	$	166	$	3,320
Manager	36		149		5,364
Supervisor	52		136		7,072
Staff	72		104		7,488
Total Financial Statement Audit for 2025	**180**				**23,244**
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)					**1,500**
Total Maximum for 2025					**24,744**
Additional Items Asked to be Priced by the Agency					
Preparation of the Agency's Annual State Controller's Report	5		125		625
Total Maximum with Additional Items for 2025	**185**			**$**	**25,369**

Pajaro Valley Water Management Agency Fiscal Year 2026 Breakdown of Fees by Hours					
Fiscal Year 2026 Audit of:	**Hours**		**Hourly Rates**		**Total**
Agency's Basic Financial Statements					
Partner - Engagement & Technical	20	$	168	$	3,360
Manager	36		151		5,436
Supervisor	52		138		7,176
Staff	72		106		7,632
Total Financial Statement Audit for 2026	**180**				**23,604**
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)					**1,500**
Total Maximum for 2026					**25,104**
Additional Items Asked to be Priced by the Agency					
Preparation of the Agency's Annual State Controller's Report	5		125		625
Total Maximum with Additional Items for 2026	**185**			**$**	**25,729**

FIRST AMENDMENT TO AGREEMENT FOR
FINANCIAL AUDITING SERVICES

THIS FIRST AMENDMENT, dated **March 16, 2022**, ("First Amendment") TO THE AGREEMENT dated April 5, 2017 is made by and between the Pajaro Valley Water Management Agency, a state-chartered water management district ("PV Water") and Fedak & Brown, LLP (Consultant").

RECITALS

WHEREAS, PV Water and Consultant previously entered into that certain Agreement ("Agreement") dated April 5, 2017, for Financial Auditing Services ("Project"), which is incorporated herein by this reference; and

WHEREAS, PV Water and Consultant desire to add a First Amendment to Agreement to provide additional Fiscal Years, for Financial Auditing Services, with new services **not to exceed $125,067**, and a time extension through Fiscal Year 2025/2026, to complete the tasks described in Exhibit A, 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 **March 16, 2022** and terminate on **December 31, 2026** 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 Exhibit A, incorporated herein. In the event of any conflict between Exhibit A and this Agreement, this Agreement shall govern, control, and take precedence. 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 A is attached and incorporated into this First Amendment, and as such is attached and incorporated into the Agreement. The parties hereby agree that Consultant's services, as defined in Exhibit A, will be at a cost **Not to Exceed $125,067,** bringing the total Not to Exceed Amount of the Agreement, including the First Amendment to the Agreement, to **$241,894**.

Notwithstanding these amended terms, all other terms and conditions of the original Agreement and attachments shall remain in full force and effect.

Each party acknowledges that it has reviewed this First 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 First Amendment.

The parties may execute this First 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 to this First Amendment warrant and represent that each is authorized to:1) provide Financial Auditing Services through Fiscal Year Ending June 30, 2026 in an amount **Not to Exceed $125,067**; and 2) extend the Term of Agreement and that their respective signatures serve to legally obligate their respective representatives, agents, successors and assigns to comply with the provisions of this First Amendment.

IN WITNESS WHEREOF, PV Water and the Consultant have executed this First Amendment effective as of the date shown above.

PAJARO VALLEY WATER MANAGEMENT AGENCY

By: _____ Date: _____

Brian Lockwood, General Manager

EKI Environment & Water, Inc.

By: _____ Date: _____

Christopher J. Brown, CPA CGMA

Approved As To Form:

By: _____ Date: _____

Anthony Condotti, General Counsel

MEMORANDUM

DATE: March 11, 2022
MEETING OF: March 16, 2022
TO: Board of Directors
FROM: General Manager
RE: **CONSENT AGENDA ITEM 9G:** Approve Engagement with Fedak & Brown, LLP, for Annual Audit Services for Fiscal Year ending June 30, 2022

BACKGROUND

PV Water issued an Auditing Services Request for Proposals in 2017 following ten years of auditing services with Bartlett Pringle & Wolf. Following a lengthy and competitive interview process, the Board approved an agreement with Fedak & Brown, LLP, (Fedak & Brown) on April 19, 2017, to conduct the annual audit for fiscal years ending June 30, 2017, and 2018, with optional years through fiscal year ending June 30, 2021. Fedak & Brown has performed well, and staff recommends it conduct an audit of PV Water's financial statements for the fiscal year ending June 30, 2022. In addition, Fedak & Brown will also issue the following:

- Report on internal control related to the financial statements and major programs. The report will describe the scope of testing of internal control and results of their testing of internal control.

- Report on compliance with laws, regulations, and the provision of contract or grant agreements. Fedak & Brown will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a direct and material effect on each major group.

- Schedule of Historical Cash Flows and Rate Coverage

The objective of the audit is the expression of opinions as to whether basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information.

FISCAL IMPACT

The total engagement fees for the fiscal year ending June 30, 2022 will not exceed $24,311 as indicated in engagement letter and described in PV Water's First Amendment to Agreement with Fedak & Brown, LLP for Financial Auditing Services.

STAFF RECOMMENDATION

That the Board approve the Engagement Letter with Fedak & Brown, LLP for audit services for the fiscal year ending June 30, 2022, and direct staff to engage their services.

ATTACHMENTS

- Engagement Letter from Fedak & Brown dated March 1, 2022

Fedak & Brown LLP
Certified Public Accountants

Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Andy Beck, CPA

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

UNDERSTANDING OF THE ENGAGEMENT

March 1, 2022

Board of Directors
Pajaro Valley Water Management Agency
36 Brennan Street
Watsonville, California 95076

Dear Mr. Brian Lockwood, General Manager:

We are pleased to confirm our understanding of the services we are to provide Pajaro Valley Water Management Agency for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Pajaro Valley Water Management Agency as of and for the year ended June 30, 2022. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives also included the reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, non-compliance with which could have a material effect on the financial statements in accordance with *Government Audit Standards*.

Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Schedule of the Agency's Proportionate Share of the Net Pension Liability
- Schedule of Pension Plan Contributions

- Schedule of Funding Status – Other Post-Employment Benefits Obligation
- Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and *Government Auditing Standards*, As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The District's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

Management Override of Controls

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Audit Procedures—Internal Control

We will obtain an understanding of the Entity and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the District in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement services previously defined.
We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will assist in preparing the financial statements of the District in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Entity is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Management is responsible for the preparation of any supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of any supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Fedak & Brown LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to various government agencies or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Fedak & Brown LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to aforementioned parties or its designee. The parties or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Christopher Brown is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our planning procedures in March 2022, our audit fieldwork in approximately April – May 2022 and to issue our reports no later than December 2022.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $24,311(with out-of-pocket expenses not exceeding $1,450 and preparation of the Agency's Annual State Controller's Report for $625). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the General Manager and the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement.

If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.

The report on internal control and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) the report is an integral

part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Fedak & Brown LLP

RESPONSE:

This letter correctly sets forth the understanding of Pajaro Valley Water Management Agency.

Management signature: _____
Title: _____
Date: _____

Governance signature: _____
Title: _____
Date: _____

Resolution 2022-07

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

Designating General Manager, or Designee, as the Authorized Representative to file an Application and Execute Agreements with the California Department of Conservation for a 2022 Multibenefit Land Repurposing Grant Program Grant

The Board of Directors of the Pajaro Valley Water Management Agency does resolve as follows:

WHEREAS, the Pajaro Valley Water Management Agency ("Agency") has authority pursuant to Section 124-508 of its enabling act ("Act") to apply for and administer any public or private grants and programs which affect the water resources of the Agency; and

WHEREAS, the State of California has established a Sustainable Groundwater Implementation Grant Program pursuant the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) (Pub. Resources Code, § 80000 et seq.) and the California Budget Act of 2021 (Stats. 2021, ch. 240, § 80); and

WHEREAS, the Agency, as the designated Groundwater Sustainability Agency for the Pajaro Valley Groundwater Basin, is the eligible applicant to submit an application for a Sustainable Groundwater Implementation Grant; and

WHEREAS, the General Manager is especially qualified to ensure that grant application materials related to groundwater basin planning and project implementation are prepared in a complete, efficient, and adequate manner; and

WHEREAS, the General Manager has the authority to ensure that groundwater basin planning and project implementation is carried out in full compliance with the applicable requirements and agreements.

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

1. An application be made to the California Department of Conservation to obtain a grant under the 2022 Multibenefit Land Repurposing Grant Program and to enter into an agreement to receive a grant for the College Lake Integrated Resources Management Project.
2. Certifies that the General Manager of the Pajaro Valley Water Management Agency, or designee, understands the assurances and certification in the application.
3. The General Manager of the Pajaro Valley Water Management Agency, or designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement and any future amendments (if required), accept the template terms and conditions, submit invoices, and submit any reporting requirements with the California Department Conservation.

PASSED AND ADOPTED at a meeting of the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **16th** day of **March, 2022** by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Amy Newell, Chair

CERTIFICATION: I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Pajaro Valley Water Management Agency held on March 16, 2022.

Attest:

_____

Laura R. Taay, Board Secretary

MEMORANDUM

DATE: March 11, 2022
MEETING OF: March 16, 2022
TO: Board of Directors
FROM: General Manager
RE: **INFORMATIONAL ITEM 10A:** Basin Management Plan Implementation Update

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BACKGROUND

Staff prepares the following update monthly with the intent of keeping the Board and public up-to-date with respect to capital projects planning, funding, and when applicable, construction.

DISCUSSION

- Funding
    - Submitted a proposal to the California Department of Water Resources for a 2021 Sustainable Groundwater Management (SGM) Grant Program Implementation Grant in the amount of $10,000,000 for up to $7,600,000 in funding.
    - Evaluating additional grant opportunities, in particular a California Department of Conservation 2022 Multi-Benefit Land Repurposing Program (MLRP) Grant.
- Recycled Water Facility Optimization
    - RWF Reliability Improvements Project, Phase 2: Reliability Operations and Condition Assessment kickoff meeting is scheduled for March 14.
- College Lake Integrated Resources Management Project
    - Engineering: Continued to hold meetings with interested parties and agencies; conducted associated field work on March 10 and 11.
    - Environmental: Preparation of College Lake Project EIR addendum continues to progress.
    - Permitting: Ongoing.
    - Outreach and Engagement: Ongoing, including work on an update Fact Sheet and Frequently Asked Questions document.
    - Property Rights: Ongoing.
- Watsonville Slough System Managed Aquifer Recharge and Recovery Projects
    - Permitting: Held meeting with State Water Resources Control Board staff on March 1 to discuss the Struve Slough water-right application (A033151); PV Water needs to conduct a Pajaro River Watershed Water Availability Analysis.
    - Planning: Conducted a pump tests of 3 recovery wells at the Harkins Slough Basin.

FISCAL IMPACT

There is no fiscal impact associated with this monthly update.

STAFF RECOMMENDATION

The Board receives the update.

ATTACHMENTS

- None.

MEMORANDUM

DATE: March 11, 2022
MEETING OF: March 16, 2022
TO: Board of Directors
FROM: General Manager
RE: **INFORMATIONAL ITEM 10B:** Receive Summary of the Sustainable Groundwater Management Act (SGMA) Annual Report, Water Year 2021

BACKGROUND

In September 2014, then Governor Jerry Brown signed into law a three-bill legislative package collectively known as the Sustainable Groundwater Management Act (SGMA). SGMA required the formation of Groundwater Sustainability Agencies (GSA) by 2015, and the development of Groundwater Sustainability Plans (GSP) by 2020 in the case of critically overdrafted groundwater basins. SGMA also provided for GSP Alternative plans in certain cases. PV Water elected to become the GSA for the Pajaro Valley Subbasin in September 2015. In December 2016, PV Water submitted the Basin Management Plan Update (BMP 2014) and associated documents as a GSP Alternative, and in July 2019 the California Department of Water Resources (DWR) approved PV Water's GSP Alternative. In November 2021, the PV Water Board adopted the Basin Management Plan: Groundwater Sustainability Update 2022 (GSU22), fulfilling SGMA requirements to prepare a 5-year update to a GSP Alternative. SGMA regulations require submittal of an annual report that describes the state of the groundwater basin and progress on implementation of the plan on or before April 1 of each year.

DISCUSSION

PV Water is implementing the projects and management actions to achieve sustainable groundwater resources. PV Water operates supplemental water supply facilities that reduce coastal groundwater production. Existing facilities include the Harkins Slough Managed Aquifer Recharge and Recovery Facility, the Watsonville Area Recycled Water Facility, blend wells, a connection to the City of Watsonville's potable water system, and the Coastal Distribution System. PV Water is also working to implement new projects and management actions to achieve sustainability including Recycled Water Facility upgrades, the College Lake Integrated Resources Management Project, the Watsonville Slough System Managed Aquifer Recharge and Recovery Project, the Recharge Net Metering Program, and a Water Conservation Program.

Water Year 2021 is classified as a "dry" year with 13.22 inches of rainfall, equivalent to about 63% of the historical average at the Watsonville Waterworks rain gauge. Total water use in the Pajaro Valley was 54,386 acre-feet (AF), with groundwater providing 84% of the supply, and the remainder provided through supplemental and surface water sources. Monitoring of groundwater levels indicate a 2.5-foot decrease in average groundwater elevations from fall 2020 to fall 2021; this corresponds to a decrease of approximately 9,424 AF of groundwater in storage.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

The Board receive Summary of the SGMA Annual Report, Water Year 2021.

ATTACHMENTS

- Board Review Draft SGMA Annual Report, Water Year 2021 is posted online: https://www.pvwater.org/images/board-and-committees/board_of_directors_assets/2022_Agenda_Assests/03-16-22_Item10B_PV.Water_WY2021_SGMA_Annual_Report_Board_Review_DRAFT.pdf

MEMORANDUM

DATE: March 11, 2022
MEETING OF: March 16, 2022
TO: Board of Directors
FROM: General Manager
RE: **DISCUSSION/ACTION ITEM 11A:** Consider Resolution 2022-08, Finding, Determining, and Declaring that the Public Interest and Necessity Require the Acquisition of Interests in Certain Real Property (Assessor's Parcel Numbers 051-101-50; 051-101-13, 15, 20 & 22; 051-651-01 & 05; and 051-101-10 & 12 and 051-441-02) by Eminent Domain

BACKGROUND

The Pajaro Valley Water Management Agency (the "Agency") was formed, among other reasons, to provide integrated management of the ground and surface water resources within the Pajaro Valley Groundwater Basin ("Pajaro Basin"). As the sole local agency responsible for the integrated management of water resources for the Pajaro Basin, the Agency bears responsibility for the management and augmentation of water supplies for domestic, agricultural, municipal and industrial purposes.

In 1994, the Agency adopted a long-term Basin Management Plan ("BMP") which identified various water supply projects involving local water sources and importation of supplemental water, to balance water demands with water supplies in the Pajaro Basin. In 2002, the Agency adopted a revised BMP.

In 2010, the Agency formed an Ad Hoc BMP Committee to develop a further updated BMP that would include a portfolio of projects and programs to address the problems of seawater intrusion and basin overdraft in the Pajaro Basin. This work resulted in the Agency's adoption in 2014 of an updated BMP ("BMP Update").

In 2015, the Agency elected to become a Groundwater Sustainability Agency under the Sustainable Groundwater Management Act, and in 2019, the California Department of Water Resources notified the Agency that it had approved the BMP Update and associated documents as functionally equivalent to a Groundwater Sustainability Plan.

Throughout much of the Pajaro Basin, groundwater levels have declined because of long-term groundwater overdraft. These overdraft conditions have caused groundwater levels to drop below sea level, creating a landward pressure gradient that has resulted in seawater intrusion, groundwater quality degradation, and groundwater storage depletion. To address these circumstances, and in furtherance of the BMP Update, the College Lake Integrated Resources Management Project (the "Project") was developed. The primary purposes of the Project are to help balance the groundwater basin, prevent further seawater intrusion, and meet water supply

needs in the Agency's service area by developing College Lake as a water storage and supply source.

COLLEGE LAKE INTEGRATED RESOURCES MANAGEMENT PROJECT

College Lake is a naturally occurring lake located approximately one-mile northeast of the City of Watsonville that naturally holds about 1,000 acre-feet of water. Each spring, Reclamation District #2049 drains College Lake to accommodate farming by pumping the water downstream into Salsipuedes Creek. The water ultimately flows into Monterey Bay, mixing with ocean water.

The Project would develop facilities to use the lake water as an alternative to groundwater for agricultural irrigation. The Project components include a weir structure, an intake pump station, a water treatment plant, and an approximately 6-mile-long pipeline to convey water from the water treatment plant to the Agency's Coastal Distribution System. On average, the Project would generally supply approximately 1,800 to 2,300 acre-feet per year (AFY) of water to growers in the Pajaro Valley. The Project construction is estimated to occur over approximately 18 months beginning in 2022 or 2023 (pending permitting and property procurement).

The Board of Directors certified the Final Environmental Impact Report (EIR) for the Project and approved the Project in October 2019. In August 2020, the Board approved agreements with Carollo Engineers and Jacobs Engineering Group to develop detailed designs for the project, which are nearing completion. Staff have been conducting community outreach and engaging with property owners in an effort to secure property rights necessary to construct and operate the project. The subject of this agenda item is the property within the lakebed of College Lake.

DISCUSSION

Subject Properties

The Project design has been completed and specific properties have been identified as being necessary to complete the Project. Among those properties required for the Project are the properties discussed below, each located at College Lake in unincorporated Santa Cruz County (collectively, the "Subject Properties").

Subject Property 1

A portion of Subject Property 1, identified as Assessor's Parcel Number (APN) 051-101-50, is required for the Project. Subject Property 1 totals 55.012 acres, and is divided into three areas: top land, ridge land, and lake bottom land. The portion of Subject Property 1 that is required for the Project is the lake bottom land ("Larger Parcel 1"),[1] which encompasses 19.41 acres. Larger Parcel 1 is further separated into two separate parcels – Parcel A and Parcel B. Parcel A lies along the eastern edge of Subject Property 1, and Parcel B lies along the south-western portion of Subject Property 1. Parcel A and Parcel B are flooded each year for about six months during the winter.

[1]The term "Larger Parcel" is used here to maintain consistency with the appraisals that have been prepared to support the Agency's efforts to negotiate acquisition of these property interests which, somewhat counterintuitively, use that term to describe the property necessary for the Project, even though in some cases, such as Subject Property 1, it comprises less than half of the acreage of the Subject Property

The top land and ridge land portions of APN 051-101-50 encompass approximately 35.602 acres. This land does not flood during the winter. These portions are not part of the proposed acquisition and the owner will maintain full ownership and control of this land.

The Project requires the acquisition of a permanent, non-exclusive easement ("Inundation Easement") over a Larger Parcel 1.

The title report indicates Subject Property 1 is vested as follows: Diffenbaugh Family Farms LLC, An Illinois Company.

Subject Property 2

A portion of Subject Property 2, identified as APNs 051-101-13, 15, 20 & 22, is required for the Project. Subject Property 2 consists of four APNs that total 43.199 acres. Subject Property 2 is divided into two areas, top and lake bottom land. The portion of Subject Property 2 that is required for the Project is the lake bottom land ("Larger Parcel 2"), which encompasses 18.62 acres. Larger Parcel 2 includes all of the property at APNs 051-101-13 & 15, and a strip at each north-east section of APNs 051-101-20 & 22. Larger Parcel 2 is flooded each year for about six months during the winter.

The top land portions of APNs 051-101-20 & 22 encompass approximately 24.579 acres. This land does not flood during the winter. This portion is not part of the proposed acquisition and the owner will maintain full ownership and control of this land.

The Project requires the acquisition of either fee title ("Fee Title Acquisition") or a permanent, non-exclusive easement ("Inundation Easement"), in or over Larger Parcel 2 2.

The title report indicates the Subject Property 2 is vested as follows: Taurino Gomez and Maria Gomez, husband and wife, as joint tenants.

Subject Property 3

A portion of Subject Property 3, identified as APNs 051-651-01 & 05, is required for the Project. Subject Property 3 consists of two APNs that total approximately 14.443 acres. Subject Property 3 is divided into two areas, top and lake bottom land. The portion of Subject Property 3 that is required for the Project is the lake bottom land ("Larger Parcel 3"), which encompasses 4.46 acres. Larger Parcel 3 includes the southern sections of APNs 051-651-01 & 05. Larger Parcel 3 is flooded each year for about six months during the winter.

The top land portions of APNs 051-651-01 & 05 encompass approximately 9.983 acres. This land does not flood during the winter. These portions are not part of the proposed acquisition, and the owner will maintain full ownership and control of this land.

The Project requires the acquisition of a permanent, non-exclusive easement (Inundation Easement") over Larger Parcel 3.

The title report indicates the Subject Property 3 is vested as follows: F. Allen Harryman and Janice C. Harryman, as successor co-trustees of the Janet Imwalle Trust dated February 10, 1994.

Subject Property 4

Subject Property 4, identified as APNs 051-101-10 & 12, and 051-441-02, is required for the Project. Subject Property 4 consists of three APNs that total 67.672 acres. The entire area of Subject Property 4, which is flooded each year for about six months during winter, is required for the Project.

The Project requires the acquisition of either fee title ("Fee Title Acquisition") or a permanent, non-exclusive easement ("Inundation Easement"), in or over Subject Property 4.

The title report indicates Subject Property 4 is vested as follows:
For APNs 051-101-10 and 12, Tony T. Lazaro and Liza G. Lazaro as community property.
For APN 051-441-02, Tony T. Lazaro and Liza G. Lazaro revocable inter vivos trust.

Appraised Value

The Agency is contracted with Smith & Associates Inc., a full-service independent appraisal firm, to determine the fair market value of the College Lake area properties, including the Subject Properties. Based on the appraisals prepared by Smith & Associates Inc., the Agency prepared and sent formal offer letters to the owners of the Subject Properties on January 7, 2022, to acquire the respective properties for the appraised value, noted below. The parties have not reached an agreement on the terms of the respective acquisitions.

Subject Property 1: The appraisal, dated September 8, 2021, assigned a value of $102,000 for the Inundation Easement on Subject Property 1.

Subject Property 2: The appraisal, dated September 8, 2021, assigned a value of $65,400 for the Fee Title Acquisition and $64,800 for the Inundation Easement on Subject Property 2.

Subject Property 3: The appraisal, dated September 9, 2021, assigned a value of $14,000 for the Inundation Easement on Subject Property 3.

Subject Property 4: The appraisal, dated September 8, 2021, assigned a value of $800,000 for Fee Title Acquisition and $792,000 for the Inundation Easement on Subject Property 4.

As the property owners have not made a counter offer based on their own appraisals, and no agreement has been reached on the purchase price, staff is recommending that the Agency conduct a hearing to receive comments from the owners of the Subject Properties and, if satisfied that the necessary findings can be made, adopt a Resolution of Necessity in which the Agency would authorize the filing of an eminent domain action pursuant to California Code of Civil Procedure sections1240.030 and 1245.210 *et seq*. If the Resolution of Necessity is adopted, staff will continue to communicate and attempt to reach settlement with the property owners without having to go to condemnation.

HEARING ON THE RESOLUTION OF NECESSITY

It is always the Agency's preference to acquire real property through negotiation; however, with respect to the Subject Properties, negotiations have not moved beyond the Agency's offer.

The Agency may adopt a Resolution of Necessity only after it has given each person whose property is proposed for acquisition by eminent domain the opportunity to appear and be heard. California Code of Civil Procedure section 1245.235 specifies that the public hearing is intended to provide the opportunity for the property owner to speak to the Board, and not as a general public hearing to solicit input from the public. The purpose of this hearing is to consider whether the Board should adopt the Resolutions of Necessity, authorizing the Agency to file a condemnation action to acquire the properties. In adopting a Resolution of Necessity, the Board must consider the following findings:

1. Whether necessity and public interest require the project;
2. Whether the proposed project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury;
3. Whether the property sought to be acquired is necessary for the project; and
4. Whether the offer required by Government Code Section 7267.2 has been made to the owner or owners of record.

Adoption of the Resolution of Necessity requires a two-thirds vote of the members of the Board.

Questions regarding the amount of compensation to be paid for the respective properties are not part of this proceeding and the Board does not consider such in determining whether the Resolution of Necessity should be adopted. If the Resolution of Necessity is adopted, the Agency's counsel will file documents commencing eminent domain proceedings with the Superior Court in Santa Cruz County. In that proceeding, the Court will determine the amount of compensation to which the property owners are entitled.

SUMMARY

To condemn property in compliance with State law, the Agency must make specific findings as outlined in California Code of Civil Procedure Section 1245.230(c). To assist the Agency in determining whether it can or should make these findings, staff has prepared the following summary of the issues involved:

1. Public interest and necessity require the property interests described in the Resolution. The Project components would consist of a new weir structure and intake pump station at the south end of College Lake, a water treatment plant, a pipeline from College Lake to the water treatment plant, and a 6-mile pipeline to convey treated water to agricultural water users in the western Pajaro Valley along the coast. With implementation of the Project, water would be stored in College Lake longer, thus further limiting the suitability of the Inundated Area for seasonal agriculture, or potentially rendering it unusable in most years. The Agency would conduct routine (annual or semi-annual) maintenance activities within College Lake to preserve water storage capacity, avoid exacerbating existing flood hazards, and manage habitat in a manner consistent with requirements established in permits and approvals

2. The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury. The Project is predicated on using water from College Lake as an alternative to groundwater for agricultural irrigation. To do this, the Project must increase the storage capacity, which requires all property inundated by College Lake. The only property interests the Agency is seeking to acquire are the portions of the Subject Properties that are necessary for operation of the Project. If the Agency ultimately acquires only inundation easements, the affected property owners will maintain full rights to use the Larger Parcels for purposes that are not inconsistent with the Agency's easement interests.

3. The properties sought are necessary for the project. To implement the Project, all property within the natural boundaries of College Lake is required. The Project cannot occur without the Subject Properties.

4. The offer to the owner or owners of record required by Government Code Section 7267.2 has been made to the owner of record. On January 7, 2022, the Agency through a representative provided the owners of the Subject Properties, respectively, a written offer of the full market value of the Fee Title Acquisition and/or Inundation Easement as determined by the corresponding appraisal. Each offer was accompanied by a summary statement of valuation, the appraisal, and an informational brochure.

If the Agency adopts the Resolution of Necessity, it will then be able to file an action for condemnation, which is the next step in acquiring the Subject Properties. This action addresses only the acquisition of the real property and no related items or claims resulting from the acquisition.

FISCAL IMPACT

The Agency's cost to acquire the Subject Properties is expected to be $972,800 at minimum, $981,400 if Subject Properties 2 and 4 are acquired in fee. In addition, there will be legal expenses related to the condemnation action, the estimated cost of which has not yet been quantified.

STAFF RECOMMENDATION

That the Board of Directors, following a hearing providing the owner of the subject properties an opportunity to speak, adopt Resolution 2022-08, Resolution of Necessity for the College Lake Integrated Resources Management Project finding that public necessity requires acquisition by eminent domain of interests in certain real property on APNs 051-101-50; 051-101-13, 15, 20 & 22; 051-651-01 & 05; and 051-101-10 & 12 and 051-441-02, located in the unincorporated area of Santa Cruz County, and authorizing the Agency's counsel to proceed with eminent domain proceedings to acquire the real property.

ATTACHMENTS

- Resolution 2022-08, Finding, Determining, and Declaring that the Public Interest and Necessity Require the Acquisition of Interests in Certain Real Property (Assessor's Parcel Numbers 051-101-50; 051-101-13, 15, 20 & 22; 051-651-01 & 05; and 051-101-10 & 12 and 051-441-02) by Eminent Domain
- Notices of Intent to Adopt Resolution of Necessity

Resolution 2022-08

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

Finding, Determining, and Declaring that the Public Interest and Necessity Require the Acquisition of Interests in Certain Real Property (Assessor's Parcel Numbers 051-101-50; 051-101-13, 15, 20 & 22; 051-651-01 & 05; and 051-101-10 & 12 and 051-441-02) By Eminent Domain

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

WHEREAS, on March 16, 2022, the Board of Directors for the Pajaro Valley Water Management Agency (the "Agency") approved the acquisition of fee title ("Fee Title Acquisition") and/or permanent, non-exclusive easements ("Inundation Easement") in certain real property for the College Lake Integrated Resources Management Project ("Project");

WHEREAS, the Agency is authorized to acquire by eminent domain the Fee Title Acquisitions and/or Inundation Easements for a public use, to wit, the proposed Project, pursuant to, among other provisions of State law, Pajaro Valley Water Management Agency Act (Stats. 1984, ch. 257, § 1 et seq., p. 798 et seq., Deering's Wat. –Uncod. Acts (2008) Act 760, p. 681); California Constitution Article I, Section 19; and the California Eminent Domain Law, Part 3, Title 7, of the Code of Civil Procedure, Sections 1230.010 *et seq*.;

WHEREAS, the proposed Project would consist of a new weir structure and intake pump station at the south end of College Lake, a water treatment plant, a pipeline from College Lake to the water treatment plant, and a six-mile pipeline to convey treated water to agricultural water users in the western Pajaro Valley along the coast;

WHEREAS, with the implementation of the Project, water would be stored in College Lake (the "Inundated Area") longer, thus further limiting the suitability of the Inundated area for seasonal agriculture, or potentially rendering it unusable in most years. The Agency would conduct routine (annual or semi-annual) maintenance activities within College Lake to preserve water storage capacity, avoid exacerbating existing flood hazards, and manage habitat in a manner consistent with requirements established in permits and approvals;

WHEREAS, the Agency seeks to acquire the Inundation Easement in certain real property, identified in the records of the Santa Cruz County Assessor as Parcel No. 051-101-50 ("Subject Property 1") in unincorporated Santa Cruz County, California, as more particularly described and depicted in **Exhibit "A"** attached hereto, and incorporated herein by reference for the Project;

WHEREAS, the Agency seeks to acquire the Fee Title Acquisition or the Inundation Easement in certain real property, identified in the records of the Santa Cruz County Assessor as Parcel Nos. 051-101-13, 15, 20 & 22 ("Subject Property 2") in unincorporated Santa Cruz

County, California, as more particularly described and depicted in **Exhibit "B"** attached hereto, and incorporated herein by reference for the Project;

WHEREAS, the Agency seeks to acquire the Inundation Easement in certain real property, identified in the records of the Santa Cruz County Assessor as Parcel Nos. 051-651-01 & 05 ("Subject Property 3") in unincorporated Santa Cruz County, California, as more particularly described and depicted in **Exhibit "C"** attached hereto, and incorporated herein by reference for the Project;

WHEREAS, the Agency seeks to acquire the Fee Title Acquisition or the Inundation Easement in certain real property, identified in the records of the Santa Cruz County Assessor as Parcel Nos. 051-101-10 & 12, and 051-441-02 ("Subject Property 4") in unincorporated Santa Cruz County, California, as more particularly described and depicted in **Exhibit "D"** attached hereto, and incorporated herein by reference for the Project;

WHEREAS, the Agency evaluated the environmental impacts of the Project. The Agency released an initial study and notice of preparation, held scoping meetings, released a Draft Environmental Impact Report ("EIR"), held public meetings to solicit input on the Draft EIR, responded to comments on the Draft EIR, and later released the Final EIR on the Project;

WHEREAS, on October 16, 2019, the Agency's Board of Directors, at a duly noticed public hearing, considered the Final EIR prepared for the Project, and certified it in Resolution 2019-19 as being compliant with California Environmental Quality Act, including adopting written findings, adopting a Statement of Overriding Considerations, and adopting a Mitigation Monitoring and Reporting Program.

WHEREAS, on March 16, 2022, after at least fifteen (15) days' written notice (via certified mail and personal service) to the property owners of record, the Agency held a hearing for the purpose of allowing the property owners of record thereof a reasonable opportunity to appear and be heard on the following matters:

a. Whether the public interest or necessity requires the project;
b. Whether the project is planned or located in a manner which is most compatible with the greatest public good and least private injury; and
c. Whether the property proposed to be acquired is necessary for the project.

WHEREAS, Agency staff and agents have been diligent in attempting to negotiate acquisition of the properties and have tried to conclude the transaction without taking this action.

NOW, THEREFORE, BE IT RESOLVED that the Agency does hereby find, determine and declare as follows:

Section 1. The Subject Properties are being acquired for a public use, namely, for the Project consisting of a new weir structure and intake pump station at the south end of College Lake, a water treatment plant, a pipeline from College Lake to the water treatment plant, and a six-mile pipeline to convey treated water to agricultural water users in the western Pajaro Valley along the coast.

Section 2. The public interest and necessity require the Project.

Section 3. The Project is planned and located in a manner that will be most compatible with the greatest public good and the least private injury.

Section 4. The Subject Properties are necessary for the proposed Project.

Section 6. The offer required by Government Code Section 7267.2 has been made to the record owners of the Subject Properties to be acquired.

Section 7. The requirements under the California Environmental Quality Act have been satisfied.

Section 8. The Agency does hereby declare that it is the intention of the Agency to acquire said properties in its name in accordance with the provisions of the laws of the State of California with reference to condemnation procedures.

Section 9. The Agency has complied with the provisions of Code of Civil Procedure section 1245.235 by providing each person whose property is to be acquired by eminent domain and whose name and address appears on the last equalized county assessment roll notice and a reasonable opportunity to appear and be heard on the matters referred to in the Code of Civil Procedure section 1240.030.

Section 10. The Agency's outside counsel, Atchison Barisone & Condotti, is hereby authorized and directed to prepare, institute and prosecute in the name of the Agency, such proceedings, in the proper court having jurisdiction thereof, as may be necessary for the acquisition of said properties. The Agency's counsel is also authorized and directed to obtain a necessary order of court granting to the Agency the right of immediate possession and use of said properties.

Section 11. The Agency's General Manager Brian Lockwood is hereby authorized and directed to draw a check in the probable amount of compensation, based on the respective appraisals, made payable to the Treasury of the State of California and delivered to the payee as security for the order of immediate possession and use authorized by the court.

Section 12. The Board Secretary shall certify the adoption of this Resolution.

[remainder of page intentionally blank]

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **16th** day of **March 2022** by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED: _____
Amy Newell, Chair

ATTEST:_____
Laura R. Taay, Board Secretary

PAJARO VALLEY WATER MANAGEMENT AGENCY
36 Brennan Street, Watsonville, CA 95076

**NOTICE OF INTENT TO ADOPT RESOLUTION OF NECESSITY
TO ACQUIRE CERTAIN REAL PROPERTY OR INTEREST IN REAL PROPERTY
BY EMINENT DOMAIN
(PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1245.235)**

February 28, 2022

Via Electronic Mail: dayananddiffenbaugh@gmail.com and
Certified Mail (return receipt requested)

Diffenbaugh Family Farms, LLC
Attn: John S. Diffenbaugh, II, Manager
445 Summit Road
Watsonville, CA 95076

Site Address: APN 051-101-50 - College Lake, Santa Cruz County, California

Dear Mr. Diffenbaugh,

This notice is sent to you under requirements of California Code of Civil Procedure section 1245.235. This notice concerns the property located at College Lake in unincorporated Santa Cruz County (the "Property") identified in the records of the Santa Cruz County Assessor Parcel No. 051-101-50 (the "Property"). The Pajaro Valley Water Management Agency ("Agency") has been investigating the acquisition of a permanent, non-exclusive easement in certain property, including the Property, for accommodation of the proposed College Lake Integrated Resources Management Project ("Project").
California Code of Civil Procedure section 1245.230 provides that the power of eminent domain may be exercised to acquire property for a proposed project if the following conditions are established:

(a) The public interest and necessity require the project;
(b) The project is planned or located in the manner that will be most compatible with the greatest public good and least private injury.
(c) The property sought to be acquired is necessary for the project.
(d) The offer required by Government Code section 7267.2 has been made to the owner of record.

You are hereby notified that the Board of Directors of the Pajaro Valley Water Management Agency, at its meeting to be held on March 16, 2021, at 7 p.m. [currently meetings are conducted remotely by GoToMeeting.com due to the COVID-19 pandemic], will decide if the above conditions are met concerning the Property and, if the conditions are met, to adopt a Resolution of Necessity. A Resolution of Necessity is a prerequisite for the Agency's initiation of eminent domain proceedings to acquire a non-exclusive interest (the "Inundation Easement") in a portion of the Property. A descriptor of the Property is attached to this Notice and is marked as Exhibit "A". A descriptor of the Inundation Easement is attached hereto as Exhibit "B" and is shown on Exhibit "C".

The proposed public use is the College Lake Integrated Resources Management Project ("Project"). The Project components would consist of a new weir structure and intake pump station at the south end of College Lake, a water treatment plant, a pipeline from College Lake to the water treatment plant, and a 6-mile pipeline to convey treated water to agricultural water users in the western Pajaro Valley along the

coast. With implementation of the Project, water would be stored in College Lake longer, thus further limiting the suitability of the Inundation Easement area for seasonal agriculture, or potentially rendering it unusable in most years. The Agency would conduct routine (annual or semi-annual) maintenance activities within College Lake to preserve water storage capacity, avoid exacerbating existing flood hazards, and manage habitat in a manner consistent with requirements established in permits and approvals.

Please be advised that if you file a written request to appear within fifteen (15) days from the mailing of this Notice, you are entitled to appear and object to the adoption of the Resolution. Objections are limited to the four conditions listed above. Questions regarding the amount of compensation to be paid are not part of this proceeding and the Agency Board does not consider such in determining whether the Resolution should be adopted. All requests to appear must be sent for filing to the Agency Office, at 36 Brennan Street, Watsonville, California 95076.

Your written request must be on file within the fifteen (15) day period. Failure to file a written request results in a waiver of your rights to appear and be heard. The written request to appear should include a statement of the condition(s) that you feel are pertinent to your property. The four conditions that may affect your property are set forth above, designated (a), (b), (c), and (d). By designating which condition forms the basis of your concerns, and why, you will enable the Board of Directors to have a full and expeditious review made of the Project's effect on your property.

For your convenience, the Board of Directors will consider any written observations you may wish to submit, as long as such written observations are filed within the fifteen (15) day period.

The Agency must adopt a Resolution of Necessity before an eminent domain proceeding can be commenced. Within six months of the adoption of the Resolution of Necessity, the Agency will commence eminent domain proceedings in the Santa Cruz County Superior Court. In that proceeding, the Court will determine the amount of compensation to which you are entitled.

Neither the pendency of the Agency's consideration of the Resolution of Necessity, nor the initiation of formal eminent domain proceedings, prevents further negotiations from occurring for the acquisition of the Property, and the Agency is ready and willing to continue such negotiations.

PAJARO VALLEY WATER MANAGEMENT AGENCY

By:_____
Brian Lockwood
General Manager

PAJARO VALLEY WATER MANAGEMENT AGENCY
36 Brennan Street, Watsonville, CA 95076

**NOTICE OF INTENT TO ADOPT RESOLUTION OF NECESSITY
TO ACQUIRE CERTAIN REAL PROPERTY OR INTEREST IN REAL PROPERTY
BY EMINENT DOMAIN
(PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1245.235)**

February 28, 2022

Via Electronic Mail: miguelprojecto@gmail.com and
Certified Mail (return receipt requested)

Taurino Gomez and Maria Gomez
135 Willow Creek
Watsonville, CA 95076

Site Address: APNs 051-101-13, 15, 20 & 22 - College Lake, Santa Cruz County, California

Dear Mr. and Ms. Gomez,

This notice is sent to you under requirements of California Code of Civil Procedure section 1245.235. This notice concerns the property located at College Lake in unincorporated Santa Cruz County (the "Property") identified in the records of the Santa Cruz County Assessor Parcel Nos. 051-101-13, 15, 20 & 22 (the "Property"). The Pajaro Valley Water Management Agency ("Agency") has been investigating the acquisition of fee title or a permanent, non-exclusive easement in certain property, including the Property, for accommodation of the proposed College Lake Integrated Resources Management Project ("Project").
California Code of Civil Procedure section 1245.230 provides that the power of eminent domain may be exercised to acquire property for a proposed project if the following conditions are established:

(a) The public interest and necessity require the project;
(b) The project is planned or located in the manner that will be most compatible with the greatest public good and least private injury.
(c) The property sought to be acquired is necessary for the project.
(d) The offer required by Government Code section 7267.2 has been made to the owner of record.

You are hereby notified that the Board of Directors of the Pajaro Valley Water Management Agency, at its meeting to be held on March 16, 2021, at 7 p.m. [currently meetings are conducted remotely by GoToMeeting.com due to the COVID-19 pandemic], will decide if the above conditions are met concerning the Property and, if the conditions are met, to adopt a Resolution of Necessity. A Resolution of Necessity is a prerequisite for the Agency's initiation of eminent domain proceedings to acquire fee title (the "Acquisition") or a non-exclusive interest (the "Inundation Easement") in a portion of the Property. A descriptor of the Property is attached to

this Notice and is marked as Exhibit "A". A descriptor of the Acquisition/Inundation Easement is attached hereto as Exhibit "B" and is shown on Exhibit "C".

The proposed public use is the College Lake Integrated Resources Management Project ("Project"). The Project components would consist of a new weir structure and intake pump station at the south end of College Lake, a water treatment plant, a pipeline from College Lake to the water treatment plant, and a 6-mile pipeline to convey treated water to agricultural water users in the western Pajaro Valley along the coast. With implementation of the Project, water would be stored in College Lake longer, thus further limiting the suitability of the Inundation Easement area for seasonal agriculture, or potentially rendering it unusable in most years. The Agency would conduct routine (annual or semi-annual) maintenance activities within College Lake to preserve water storage capacity, avoid exacerbating existing flood hazards, and manage habitat in a manner consistent with requirements established in permits and approvals.

Please be advised that if you file a written request to appear within fifteen (15) days from the mailing of this Notice, you are entitled to appear and object to the adoption of the Resolution. Objections are limited to the four conditions listed above. Questions regarding the amount of compensation to be paid are not part of this proceeding and the Agency Board does not consider such in determining whether the Resolution should be adopted. All requests to appear must be sent for filing to the Agency Office, at 36 Brennan Street, Watsonville, California 95076.

Your written request must be on file within the fifteen (15) day period. Failure to file a written request results in a waiver of your rights to appear and be heard. The written request to appear should include a statement of the condition(s) that you feel are pertinent to your property. The four conditions that may affect your property are set forth above, designated (a), (b), (c), and (d). By designating which condition forms the basis of your concerns, and why, you will enable the Board of Directors to have a full and expeditious review made of the Project's effect on your property.

For your convenience, the Board of Directors will consider any written observations you may wish to submit, as long as such written observations are filed within the fifteen (15) day period.

The Agency must adopt a Resolution of Necessity before an eminent domain proceeding can be commenced. Within six months of the adoption of the Resolution of Necessity, the Agency will commence eminent domain proceedings in the Santa Cruz County Superior Court. In that proceeding, the Court will determine the amount of compensation to which you are entitled.

Neither the pendency of the Agency's consideration of the Resolution of Necessity, nor the initiation of formal eminent domain proceedings, prevents further negotiations from occurring for the acquisition of the Property, and the Agency is ready and willing to continue such negotiations.

PAJARO VALLEY WATER MANAGEMENT AGENCY

By:_____
Brian Lockwood
General Manager

PAJARO VALLEY WATER MANAGEMENT AGENCY
36 Brennan Street, Watsonville, CA 95076

**NOTICE OF INTENT TO ADOPT RESOLUTION OF NECESSITY
TO ACQUIRE CERTAIN REAL PROPERTY OR INTEREST IN REAL PROPERTY
BY EMINENT DOMAIN
(PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1245.235)**

February 28, 2022

Via Electronic Mail:cem759@cruzio.com and
Certified Mail (return receipt requested)

Janice C. Harryman
160 Paulsen Road
Watsonville, CA 95076

Site Address: APNs 051-651-01 & 05 - College Lake, Santa Cruz County, California

Dear Mrs. Harryman,

This notice is sent to you under requirements of California Code of Civil Procedure section 1245.235. This notice concerns the property located at College Lake in unincorporated Santa Cruz County (the "Property") identified in the records of the Santa Cruz County Assessor Parcel Nos. 051-651-01 & 05 (the "Property"). The Pajaro Valley Water Management Agency ("Agency") has been investigating the acquisition of a permanent, non-exclusive easement in certain property, including the Property, for accommodation of the proposed College Lake Integrated Resources Management Project ("Project").
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The proposed public use is the College Lake Integrated Resources Management Project ("Project"). The Project components would consist of a new weir structure and intake pump station at the south end of College Lake, a water treatment plant, a pipeline from College Lake to the water treatment plant, and a 6-mile pipeline to convey treated water to agricultural water users in the western Pajaro Valley along the coast. With implementation of the Project, water would be stored in College Lake longer, thus further limiting the suitability of the Inundation Easement area for seasonal agriculture, or potentially rendering it unusable in most years. The Agency would conduct routine (annual or semi-annual) maintenance activities within College Lake to preserve water storage capacity, avoid exacerbating existing flood hazards, and manage habitat in a manner consistent with requirements established in permits and approvals.

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PAJARO VALLEY WATER MANAGEMENT AGENCY

By:_____
Brian Lockwood
General Manager

PAJARO VALLEY WATER MANAGEMENT AGENCY
36 Brennan Street, Watsonville, CA 95076

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TO ACQUIRE CERTAIN REAL PROPERTY OR INTEREST IN REAL PROPERTY
BY EMINENT DOMAIN
(PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1245.235)

February 28, 2022

Via Electronic Mail: tlazaro.pb@gmail.com and
Certified Mail (return receipt requested)

Tony T. Lazaro and Liza G. Lazaro, Trustees
P.O Box 4016
Santa Clara, CA 95056

Site Address: APNs 051-101-10 & 12 and 051-441-02 - College Lake, Santa Cruz County, California

Dear Mr. and Mrs. Lazaro,

This notice is sent to you under requirements of California Code of Civil Procedure section 1245.235. This notice concerns the property located at College Lake in unincorporated Santa Cruz County (the "Property") identified in the records of the Santa Cruz County Assessor Parcel Nos. 051-101-10 & 12 and 051-441-02 (the "Property"). The Pajaro Valley Water Management Agency ("Agency") has been investigating the acquisition of fee title or a permanent, non-exclusive easement in certain property, including the Property, for accommodation of the proposed College Lake Integrated Resources Management Project ("Project"). California Code of Civil Procedure section 1245.230 provides that the power of eminent domain may be exercised to acquire property for a proposed project if the following conditions are established:

(a) The public interest and necessity require the project;
(b) The project is planned or located in the manner that will be most compatible with the greatest public good and least private injury.
(c) The property sought to be acquired is necessary for the project.
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The proposed public use is the College Lake Integrated Resources Management Project ("Project"). The Project components would consist of a new weir structure and intake pump station at the south end of College Lake, a water treatment plant, a pipeline from College Lake to the water treatment plant, and a 6-mile pipeline to convey treated water to agricultural water users in the western Pajaro Valley along the

coast. With implementation of the Project, water would be stored in College Lake longer, thus further limiting the suitability of the Inundation Easement area for seasonal agriculture, or potentially rendering it

unusable in most years. The Agency would conduct routine (annual or semi-annual) maintenance activities within College Lake to preserve water storage capacity, avoid exacerbating existing flood hazards, and manage habitat in a manner consistent with requirements established in permits and approvals.

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For your convenience, the Board of Directors will consider any written observations you may wish to submit, as long as such written observations are filed within the fifteen (15) day period.

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Neither the pendency of the Agency's consideration of the Resolution of Necessity, nor the initiation of formal eminent domain proceedings, prevents further negotiations from occurring for the acquisition of the Property, and the Agency is ready and willing to continue such negotiations.

PAJARO VALLEY WATER MANAGEMENT AGENCY

By:_____
Brian Lockwood
General Manager

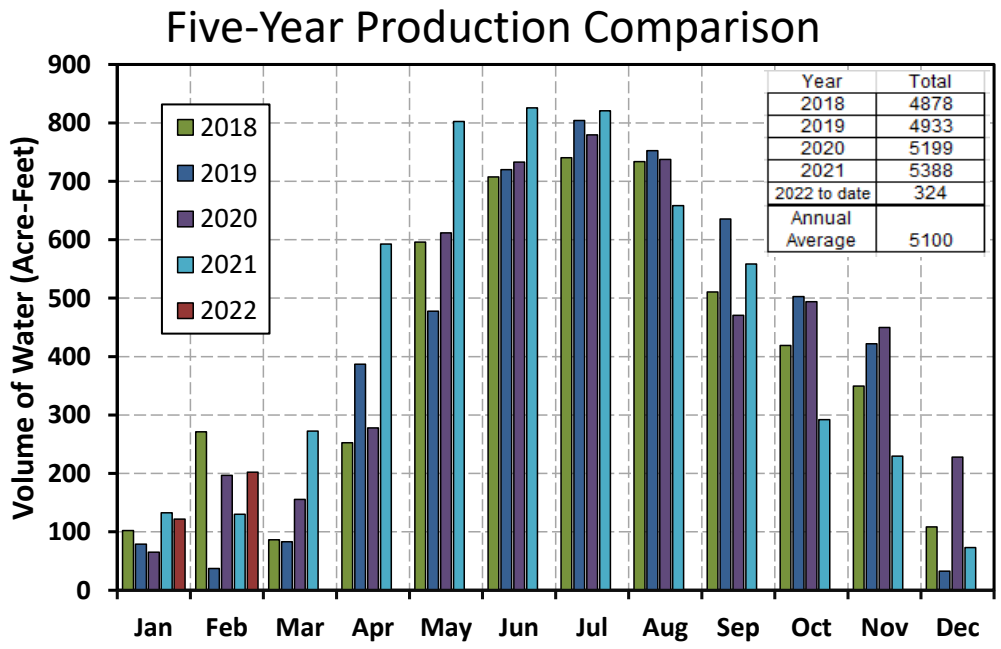
Production Monthly Summary as of February, 2022*

All totals are in Acre Feet

	January	February	March	April	May	June	July	August	September	October	November	December	Individual Totals
Harkins Slough Project:													
Effluent FW to Basin	223.34	222.51	0.00	0.00	0.00								**445.84**
Coastal Distribution System (CDS):													
Recovery Wells Sub Total	10.28	18.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**28.55**
Blend Wells													
SW #1	0.00	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.80**
SW #2	0.04	1.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**1.23**
Blend Wells Subtotal	0.04	1.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**2.03**
RWF Blend (See Breakdown Below)	111.53	181.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**293.48**
CDS Total	121.86	202.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**324.06**
Approximate Recycled Water Blend Breakdown:													
Estimated Recycled Water	99.38	175.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	275.12
RWF No_1 (potable)	12.15	6.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.35

* Recycled Water Blend Breakdown is Approximate because there is always some water in the tank that may be recycled water or RWF No-1 Water, "Est Recycled Water" is the RWF Blend total, (which is measured by the RWF Distribution meter after the tanks,) MINUS the RWF No_1 total, which is measure before the No_1 water goes into the tanks to blend.

Well 860 (Harvest Dr.)	0.000	0.000											0.00



2022 Production Percentages:			
Recovery Wells	**Supplemental Wells**	**Recycled Water**	**Potable Water**
9%	**1%**	**85%**	**6%**

*Preliminary, Subject to Revision

MARCH 2022 MEETING			
INCOMING			
DATE	TO	FROM	SUBJECT
3/7/2022	PV WATER	John Diffenbaugh	March 16, 2022 Board Meeting

TO PAJARO VALLEY WATER MANAGEMENT AGENCY

Regarding meeting MARCH 16, 2021 7pm.

(1) I object to this meeting being conducted remotely. There is NO current Federal, State or County MANDATE IN PLACE TO NOT MEET IN PERSON. I FEEL I deserve A face to face meeting with my Peers.

(2) I intend/request to speak at the meeting. I will speak to point (b) "The project is planned or located in the manner that will be most compatible with the greatest public good and least private injury."

Sincerely,

John Diffenbaugh

John Diffenbaugh

RECEIVED
MAR 07 2022
BY: .....