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

Pajaro Valley
Water Management Agency

Proposed Preliminary Budget
Fiscal Year 2022-2023

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Cover Photo:
College Lake
Brian Lockwood, General Manager

PAJARO VALLEY WATER MANAGEMENT AGENCY
PROPOSED PRELIMINARY BUDGET
FISCAL YEAR 2022-2023

Introduction

Long-term groundwater overdraft has led to serious problems that threaten the vibrant economy of the Pajaro Valley. Seawater intrusion in the Pajaro Valley Groundwater Basin was first documented in 1953. In the coastal areas and throughout much of the Pajaro Valley Groundwater Basin (PVGB or Basin), long-term overdraft conditions have resulted in groundwater levels to drop below sea level seasonally, creating a landward pressure gradient that causes seawater to flow in to, and contaminate, freshwater aquifers. Seawater intrusion has elevated the concentration of chloride and other salts in groundwater up to three miles inland from the coast, in some areas contaminating the groundwater to the point that it is unsuitable for use without treatment.

The Pajaro Valley Water Management Agency (PV Water or Agency) is a state-chartered water management district, formed in 1984, to manage groundwater resources and supplemental water supplies within the Pajaro Valley. In 2014, the Sustainable Groundwater Management Act (SGMA) became law, establishing a new legal structure in California that provides local agencies the means to manage groundwater basins in a manner that is sustainable. Water Code section 10723(c)(1)(L) establishes PV Water as the exclusive local agency within its statutory boundaries to comply with the requirements of SGMA. In 2015 the Board of Directors (Board) voted to become the Groundwater Sustainability Agency (GSA) for the Pajaro Valley SubBasin, 3-002.01.

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

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

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

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

BMP: Groundwater Sustainability Update 2022, which the Board adopted in November 2021.

The Fiscal Year 2022-2023 (FY22-23) budget allocates funding for PV Water to continue implementation of Board approved projects and management actions in order to fulfill its mission to achieve sustainable groundwater resources for the Pajaro Valley while maintaining agriculture. The budget serves as a projection of PV Water finances. The budget narrative describes key activities and important assumptions taken into account to develop the budget, including activities related to SGMA, BMP implementation, operations, and anticipated revenue.

Budget Organization

The budget is organized by the following service expense groups:

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

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

Revenues and Sources of Funds

PV Water is funded through:

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

Management Fees are collected on county tax rolls with residential parcel fees of $18 per year and commercial parcels $20 per year. Management Fee revenues are placed in the General Fund category. This budget includes projected revenues of $375,000 in Management Fees.

PV Water levies a groundwater augmentation charge "on the extraction of groundwater from wells within the Agency's boundaries in order to pay the costs of purchasing, capturing, storing, and distributing supplement water and paying for activities required to prepare and implement the Agencies groundwater management program."[1] The rates for FY22-23, are provided Table 1, below. Augmentation charge revenue is placed in the Special Revenue Fund category. This budget includes projected revenues of $13 million in augmentation charges.

A delivered water charge is collected from customers who purchase the Agency's supplemental water supply. The supplemental water supply is comprised of recycled water from the Watsonville Area Recycled Water Facility, Harkins Slough Managed Aquifer Recharge & Recovery Facility, from blend water from wells operated by the Agency, and the City of Watsonville's potable supply. The delivered water charge in FY22-23 is a flat rate of $432 per acre-foot[2]. Revenue generated from the sale of delivered water is placed in the Special Revenue Fund category.

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

The budget includes projected revenues of $2.2 million in delivered water charges.

Table 1. Water Rates for Fiscal Year 2022-23

User Class	Cost of Service Rate Effective Dec. 1, 2021 (Unit Cost Per Acre-Foot)	Cost of Service Rate Effective July 1, 2022
Augmentation Charges:		
Metered Users - Outside Delivered Water Zone	$263	$282
Metered Users - Inside Delivered Water Zone	$363	$391
Unmetered Users (Rural Residential)*	$123	$132
Delivered Water Charge	$412	$432

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

PV Water actively seeks state and federal grants, and low interest financing opportunities to support the planning and implementation of water supply projects and management actions. When successful, grants and other financial agreements (such as the Clean Water State Revolving Fund, or SRF) reimburse eligible expenses incurred during the planning and implementation of those funded projects and programs. Reimbursements are placed in the fund category from which they were originally spent. The budget includes projected grant reimbursement revenues of $5 million, primarily coming from a DWR "2021 Sustainable Groundwater Management (SGM) Grant Program Implementation Grant" in the amount of $7.6 million, and a $75,000 grant from the Bureau of Reclamation WaterSMART program.

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Table 2a. Summary by Service

Summary by Service July 1, 2022 to June 30, 2023						
	General Fund Fund 10	Special Revenue Fund Fund 20			Capital Projects Fund 30	Debt Service Fund 40
Revenues and Sources of Funds						
Management Fees	375,000					
Delivered Water		2,200,000				
Augmentation Charges		13,000,000				
Grant Revenue		5,000,000				
SRF Financial Agreement		-				
Bond Proceeds		-			46,500,000	
Interest Income	10,000	40,000				
Other Revenue		35,000				
Total Revenue	**$ 385,000**	**$ 20,275,000**	**$ -**	**$ -**	**$ 46,500,000**	**$ -**
	Agency Administration	**General Administration**	**Facility Operations**	**Basin Management**	**Capital Projects**	**Debt Service**
Expenditures						
Wages & Benefits	35,054	959,563	883,324	280,031	354,154	-
Conferences/Training	5,000	6,000	4,500	4,500	-	-
Travel - Mileage - Meals - Lodging	13,000	12,500	2,000	8,000	-	-
Bank Charges/Bond Fees	50	50,000	40,000	-	-	-
Insurance	6,000	1,000	36,500	-	-	-
Taxes/Fees	250	22,000	29,000	-	35,000	-
Legal Notices & Ads	750	2,500	-	3,250	5,000	-
Dues & Subscription	31,000	5,500	2,500	1,000	-	-
Office Expense/Supplies	5,000	12,000	2,500	-	-	-
Postage	1,000	4,000	5,000	1,000	-	-
Printing	4,000	24,500	1,750	1,500	5,000	-
Utilities	3,000	8,200	332,000	-	-	-
Telephone/Communications	4,000	12,000	12,000	-	-	-
Office Equipment Leases	1,000	7,500	7,000	-	-	-
Well Leases	-	-	200,000	-	-	-
Field Supplies/Equipment	-	12,000	50,000	22,000	26,000	-
Elections	60,000	-	-	-	-	-
Legal Services	40,000	77,000	5,000	40,000	650,000	-
Professional Services	84,000	460,000	143,000	450,000	5,000,000	-
Meter Contractor	-	-	24,000	-	-	-
LAFCO District Fees	18,000	-	-	-	-	-
Collection Fee/Bad Debt	6,000	11,000	-	-	-	-
Special Projects Outreach	25,000	-	-	-	-	-
Facilities Maintenance	50,000	10,000	8,000	-	-	-
Land Acquisition	-	-	-	-	6,675,000	-
Information Technology	12,000	52,000	83,000	32,000	-	-
Licensed Contractors	-	-	375,000	15,000	12,800,000	-
Vehicle Maintenance	-	4,500	30,500	3,000	-	-
Vehicle Purchase	-	-	95,000	5,000	-	-
Meters	-	-	170,000	-	-	-
COW Reimb O&M	-	-	2,500,000	-	-	-
Rebates	-	125,000	25,000	-	-	-
Crop Loss	-	-	-	-	-	-
City Connection Water Charges	-	-	600,000	-	-	-
Miscellanous (X-Band Radar/Uniforms)	-	12,500	-	-	-	-
Water Sampling	-	-	47,000	40,000	-	-
Bond Administration Fee	-	8,000	-	-	-	-
DWR Note Payable	-	-	-	-	-	251,416
SWRCB Loan	-	-	-	-	-	74,964
2015 Bond	-	-	-	-	-	2,294,850
2016 Bond	-	-	-	-	-	803,213
Total Expenditures	**$ 404,104**	**$ 1,899,263**	**$ 5,713,574**	**$ 906,281**	**$ 25,550,154**	**$ 3,424,443**
Total Revenue						
Excess of Revenues or (Deficit)						

Note: Totals may not tie due to rounding

Table 2b. Summary by Service (cont.)

Summary by Service
July 1, 2022 to June 30, 2023

	FY22-23 Proposed Budget	FY21-22 Adopted Amended Budget	$ Diff	% Diff
Revenues and Sources of Funds				
Management Fees	375,000	387,000	(12,000)	-3.1%
Delivered Water	2,200,000	2,100,000	100,000	4.8%
Augmentation Charges	13,000,000	11,500,000	1,500,000	13.0%
Grant Revenue	5,000,000	1,500,000	3,500,000	233.3%
SRF Financial Agreement	-	200,000	(200,000)	-100.0%
Bond Proceeds	46,500,000	-	46,500,000	N/A
Interest Income	50,000	250,000	(200,000)	-80.0%
Other Revenue	35,000	35,000	-	0.0%
Total Revenue	**$ 67,160,000**	**$ 15,972,000**	**$ 51,188,000**	**320.5%**

	FY22-23 Proposed Budget	FY21-22 Adopted Amended Budget	$ Diff	% Diff
Expenditures				
Wages & Benefits	2,512,126	2,388,160	123,966	5.2%
Conferences/Training	20,000	17,850	2,150	12.0%
Travel - Mileage - Meals - Lodging	35,500	21,500	14,000	65.1%
Bank Charges/Bond Fees	90,050	80,050	10,000	12.5%
Insurance	43,500	43,500	-	0.0%
Taxes/Fees	86,250	84,750	1,500	1.8%
Legal Notices & Ads	11,500	11,500	-	0.0%
Dues & Subscription	40,000	39,900	100	0.3%
Office Expense/Supplies	19,500	16,500	3,000	18.2%
Postage	11,000	12,500	(1,500)	-12.0%
Printing	36,750	36,750	-	0.0%
Utilities	343,200	337,700	5,500	1.6%
Telephone/Communications	28,000	28,000	-	0.0%
Office Equipment Leases	15,500	15,500	-	0.0%
Well Leases	200,000	200,000	-	0.0%
Field Supplies/Equipment	110,000	82,000	28,000	34.1%
Elections	60,000	22,000	38,000	172.7%
Legal Services	812,000	332,000	480,000	N/A
Professional Services	6,137,000	4,847,500	1,289,500	26.6%
Meter Contractor	24,000	10,000	14,000	140.0%
LAFCO District Fees	18,000	17,850	150	0.8%
Collection Fee/Bad Debt	17,000	16,000	1,000	0.0%
Special Projects Outreach	25,000	25,000	-	0.0%
Facilities Maintenance	68,000	35,500	32,500	91.5%
Land Acquisition	6,675,000	4,000,000	2,675,000	66.9%
Information Technology	179,000	161,000	18,000	11.2%
Licensed Contractors	13,190,000	150,000	13,040,000	8693.3%
Vehicle Maintenance	38,000	38,850	(850)	-2.2%
Vehicle Purchase	100,000	80,000	20,000	25.0%
Meters	170,000	40,000	130,000	325.0%
COW Reimb O&M	2,500,000	2,440,000	60,000	2.5%
Rebates	150,000	9,000	141,000	1566.7%
Crop Loss	-	-	-	#DIV/0!
City Connection Water Charges	600,000	600,000	-	N/A
Miscellanous (X-Band Radar)	12,500	10,500	2,000	N/A
Water Sampling	87,000	69,000	18,000	N/A
Bond Administration Fee	8,000	7,500	500	N/A
DWR Note Payable	251,416	251,416	(0)	0.0%
SWRCB Loan	74,964	74,963	1	0.0%
2015 Bond	2,294,850	2,297,350	(2,500)	-0.1%
2016 Bond	803,213	806,613	(3,400)	-0.4%
Total Expenditures	**$ 37,897,819**	**$ 19,758,202**	**$ 18,139,617**	**47.9%**
Total Revenue	**67,160,000**	**15,972,000**	**$ 51,188,000**	
Excess of Revenues or (Deficit)	**29,262,181**	**(3,786,202)**	**$ 33,048,383**	

Note: Totals may not tie due to rounding.

Table 3. Budgeted Salary Expenditures, Overall Allocation

				General Fund Fund 10		Special Revenue Fund 20						Capital Projects Fund 30	
	Position	Total Salary & Benefits		Agency Admin		Admin Grants Conserv Ed & Outreach		Facility Ops		Basin Mngmnt		Capital Projects	
		Includes 10% Allowance for Non-Exempt		Total		Total		Total		Total		Total	
		%	$	%	$	%	$	%	$	%	$	%	$
Agency Administration													
1	General Manager	100%	311,683	2%	6,234	41%	127,790	6%	18,701	23%	71,687	28%	87,271
2	Finance & Administrative Services Manager	97%	193,109	2%	3,862	82%	158,350	0%	-	0%	-	13%	25,104
3	Financial Analyst	100%	158,338	2%	3,167	98%	155,171	0%	-	0%	-	0%	-
4	Administrative Analyst	100%	158,317	2%	3,166	67%	106,072	0%	-	0%	-	31%	49,078
5	Customer Service Rep	100%	147,122	2%	2,942	98%	144,179	0%	-	0%	-	0%	-
6	Account Clerk	100%	115,063	2%	2,301	98%	112,761	0%	-	0%	-	0%	-
Operations													
1	Water Meter Program Coordinator	100%	167,643	0%	-	3%	5,029	97%	162,613	0%	-	0%	-
2	Water System Operations Supervisor	100%	218,771	0%	-	5%	10,939	75%	164,078	0%	-	20%	43,754
3	Water System Operator	100%	190,236	0%	-	4%	7,609	75%	142,677	0%	-	21%	39,950
4	Vacant TBD	100%	95,892	2%	1,918	9%	8,630	14%	13,425	15%	14,384	60%	57,535
5	Operations-Maintenance Technician	100%	166,483	0%	-	0%	-	100%	166,483	0%	-	0%	-
6	Associate Hydrologist	100%	193,901	0%	-	11%	21,329	11%	21,329	64%	124,096	14%	27,146
7	Water Conservation & Outreach Specialist	100%	121,086	2%	2,422	68%	82,339	4%	4,843	8%	9,687	18%	21,795
8	Water Resources Technician	100%	83,992	0%	-	10%	8,399	34%	28,557	53%	44,516	3%	2,520
9	Field Technician	100%	79,760	0%	-	0%	-	100%	79,760	0%	-	0%	-
10	Maintenance Technician	100%	79,760	0%	-	0%	-	100%	79,760	0%	-	0%	-
11	Intern	100%	21,928	0%	-	50%	10,964	5%	1,096	45%	9,868	0%	-
	Total Staff Salaries/Benefits		2,503,082		26,012		959,562		883,324		274,237		354,154
	Board Members		9,043		9,043								
	Total Salaries & Benefits		**2,512,125**		**35,055**		**959,562**		**883,324**		**274,237**		**354,154**

Note: Totals may not tie due to rounding.

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General Fund
Agency Administration Service Expense Group Summary

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

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

Board Support
Functions included in this category are for board and committee support including elections and board-related legal services, and agenda packet preparation, publication, and distribution.

Special Projects Outreach
Special projects outreach for FY22-23 includes funding for an aquifer educational display at the Agricultural History Project at the Santa Cruz County Fairgrounds that has been delayed due to COVID-19, and focused public outreach campaigns such as those supporting water awareness, particularly as it relates to extreme conditions such as drought.

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Table 4. Agency Administration Expenditures

Agency Administration July 1, 2022 to June 30, 2023				
	Office Administration	**Board Support**	**Outreach & Education**	**Total**
Expenditures				
Wages & Benefits	14,905	17,104	3,045	35,054
Conferences/Training	2,000	3,000	-	5,000
Travel - Mileage - Meals - Lodging	6,000	6,000	1,000	13,000
Bank Charges/Bond Fees	50	-	-	50
Insurance	6,000	-	-	6,000
Taxes/Fees	250	-	-	250
Legal Notices & Ads	750	-	-	750
Dues & Subscription	30,000	-	1,000	31,000
Office Expense/Supplies	5,000	-	-	5,000
Postage	1,000	-	-	1,000
Printing	4,000	-	-	4,000
Utilities	3,000	-	-	3,000
Telephone/Communications	4,000	-	-	4,000
Office Equipment Leases	1,000	-	-	1,000
Well Leases	-	-	-	-
Field Supplies/Equipment	-	-	-	-
Elections	-	60,000	-	60,000
Legal Services	25,000	15,000	-	40,000
Professional Services	80,000	-	4,000	84,000
Meter Contractor	-	-	-	-
LAFCO District Fees	18,000	-	-	18,000
Collection Fee/Bad Debt	6,000	-	-	6,000
Special Projects Outreach	-	-	25,000	25,000
Facilities Maintenance	50,000	-	-	50,000
Land Acquisition	-	-	-	-
Information Technology	12,000	-	-	12,000
Licensed Contractors	-	-	-	-
Vehicle Maintenance	-	-	-	-
Vehicle Purchase	-	-	-	-
Meters	-	-	-	-
COW Reimb O&M	-	-	-	-
Rebates	-	-	-	-
Crop Loss	-	-	-	-
City Connection Water Charges	-	-	-	-
Miscellanous (X-Band Radar/Uniforms)	-	-	-	-
Water Sampling	-	-	-	-
Bond Administration Fee	-	-	-	-
DWR Note Payable	-	-	-	-
SWRCB Loan	-	-	-	-
2015 Bond	-	-	-	-
2016 Bond	-	-	-	-
Total Expenditures	**$ 268,955**	**$ 101,104**	**$ 34,045**	**$ 404,104**

Note: Totals may not tie due to rounding

Table 5. Budgeted Salary Expenditures, Fund 10 Detail

	Position	Total Salary & Benefits	General Fund 10							
			Agency Administration							
		Includes10% Allowance for Non-Exempt	Office Admin		Board Support		Special Projects Outreach		Total	
			%	$	%	$	%	$	%	$
Agency Administration										
1	General Manager	311,683	40%	2,493	50%	3,117	10%	623	100%	6,234
2	Finance & Administrative Services Manager	193,109	70%	2,704	30%	1,159	0%	-	100%	3,862
3	Financial Analyst	158,338	70%	2,217	30%	950	0%	-	100%	3,167
3	Administrative Analyst	158,317	50%	1,583	50%	1,583	0%	-	100%	3,166
4	Customer Service Rep	147,122	90%	2,648	10%	294	0%	-	100%	2,942
5	Account Clerk	115,063	100%	2,301	0%	-	0%	-	100%	2,301
Operations										
1	Water Meter Program Coordinator	167,643	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	218,771	0%	-	0%	-	0%	-	0%	-
3	Water System Operator	190,236	0%	-	0%	-	0%	-	0%	-
4	Vacant TBD	95,892	50%	959	50%	959	0%	-	100%	1,918
5	Operations-Maintenance Technician	166,483	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	193,901	0%	-	0%	-	0%	-	0%	-
7	Water Conservation & Outreach Specialist	121,086	0%	-	0%	-	100%	2,422	100%	2,422
8	Water Resources Technician	83,992	0%	-	0%	-	0%	-	0%	-
9	Field Technician	79,760	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	79,760	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	0%	-	0%	-	0%	-	0%	-
	Total Staff Salaries/Benefits	2,503,082		14,905		8,062		3,045		26,012
	Board Members	9,043				9,043				9,043
	Total Salaries & Benefits	**2,512,125**		**14,905**		**17,104**		**3,045**		**35,055**

Note: Totals may not tie due to rounding.

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Special Fund
General Administration Service Expense Group Summary

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

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

Grant Administration
Functions included in this category are grant applications, grant and contract management, and associated intergovernmental relations. The professional services in this category are often grant reimbursable and include the following:

- Consultant services for the administration and reimbursement of ongoing grants.
- Applying for new grants and supporting project activities, including grant compliance and coordination.

Conservation
The conservation goal in the 2014 BMP Update accounts for 5,000 acre-feet per year (AFY) about a 10% reduction in pumping compared to the baseline 2006-2010 average for groundwater wells or ~40% of the overall solution to eliminate 12,100 AFY of groundwater extraction. The Agricultural Water Conservation Program provides a high-level of engagement with local partners and stakeholders, to streamline ranch level conservation programs and leverage resources in order to optimize basin-wide progress toward the BMP Conservation goals. Partner agencies include the Resource Conservation Districts of Santa Cruz and Monterey Counties, the Natural Resources Conservation Service, the Water Conservation Coalition of Santa Cruz County, and the UC Cooperative Extension. In December 2020, the Board of Directors voted in favor of funding the BMP Agricultural Water Conservation Program for the next three calendar years (2021-2023) at rate of $400,000 per year, which includes $300,000 per year for professional services, and $100,000 per year in rebates, trials and cost-sharing agreements. The Household Water Conservation program includes rebates, a home and garden water conservation tool kit, and water saving device give-a-ways. Outreach and education are important components of both programs. The FY22-23 budget includes $325,000 for professional services to support the conservation program and $125,000 rebates.

Outreach & Education
Outreach, community engagement, and education are among the most important functions of PV Water as they touch all aspects of the Agency's mission. Meetings, tours and workshops for stakeholders, community members, and students make up an important component of PV Water's outreach program. Outreach outlets included in this category are annual reports, newsletters, participation in local fairs and events, website updates and maintenance, and development of traditional media and social media content (e.g. Facebook). The FY22-23 budget includes $50,000 for professional services to support outreach activities.

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Table 6. Special Fund General Administration Expenditures

Special Fund General Administration July 1, 2022 to June 30, 2023					
	Office Administration	**Grant Administration**	**Conservation**	**Public Outreach & Education**	**Total**
Expenditures					
Wages & Benefits	755,504	55,848	47,697	100,514	959,563
Conferences/Training	4,000	-	1,000	1,000	6,000
Travel - Mileage - Meals - Lodging	7,500	1,000	2,000	2,000	12,500
Bank Charges/Bond Fees	50,000	-	-	-	50,000
Insurance	1,000	-	-	-	1,000
Taxes/Fees	22,000	-	-	-	22,000
Legal Notices & Ads	2,500	-	-	-	2,500
Dues & Subscription	5,000	-	-	500	5,500
Office Expense/Supplies	10,000	-	1,000	1,000	12,000
Postage	2,000	1,000	-	1,000	4,000
Printing	8,500	-	1,000	15,000	24,500
Utilities	8,200	-	-	-	8,200
Telephone/Communications	4,000	-	4,000	4,000	12,000
Office Equipment Leases	7,500	-	-	-	7,500
Well Leases	-	-	-	-	-
Field Supplies/Equipment	-	-	10,000	2,000	12,000
Elections	-	-	-	-	-
Legal Services	75,000	2,000	-	-	77,000
Professional Services	10,000	75,000	325,000	50,000	460,000
Meter Contractor	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-
Collection Fee/Bad Debt	11,000	-	-	-	11,000
Special Projects Outreach	-	-	-	-	-
Facilities Maintenance	10,000	-	-	-	10,000
Land Acquisition	-	-	-	-	-
Information Technology	26,000	-	13,000	13,000	52,000
Licensed Contractors	-	-	-	-	-
Vehicle Maintenance	-	-	2,500	2,000	4,500
Vehicle Purchase	-	-	-	-	-
Meters	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-
Rebates	-	-	125,000	-	125,000
Crop Loss	-	-	-	-	-
City Connection Water Charges	-	-	-	-	-
Miscellanous (X-Band Radar/Uniforms)	12,500	-	-	-	12,500
Water Sampling	-	-	-	-	-
Bond Administration Fee	8,000	-	-	-	8,000
DWR Note Payable	-	-	-	-	-
SWRCB Loan	-	-	-	-	-
2015 Bond	-	-	-	-	-
2016 Bond	-	-	-	-	-
Total Expenditures	**$ 1,040,204**	**$ 134,848**	**$ 532,197**	**$ 192,014**	**$ 1,899,263**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Special Revenue Fund 20									
		Includes 10% Allowance for Non-Exempt	Office Admin		Public Outreach & Education		Grant Admin		Conser-vation		**Total**	
			%	$	%	$	%	$	%	$	%	$
Agency Administration												
1	General Manager	311,683	25%	77,921	10%	31,168	3%	9,350	3%	9,350	41%	127,790
2	Finance & Administrative Services Manager	193,109	75%	144,832	1%	1,931	6%	11,587	0%	-	82%	158,350
3	Financial Analyst	158,338	92%	145,671	0%	-	6%	9,500	0%	-	98%	155,171
4	Administrative Analyst	158,317	60%	94,990	2%	3,166	5%	7,916	0%	-	67%	106,072
5	Customer Service Rep	147,122	98%	144,179	0%	-	0%	-	0%	-	98%	144,179
6	Account Clerk	115,063	98%	112,761	0%	-	0%	-	0%	-	98%	112,761
Operations												
1	Water Meter Program Coordinator	167,643	2%	3,353	0%	-	1%	1,676	0%	-	3%	5,029
2	Water System Operations Supervisor	218,771	4%	8,751	1%	2,188	0%	-	0%	-	5%	10,939
3	Water System Operator	190,236	2%	3,805	1%	1,902	1%	1,902	0%	-	4%	7,609
4	Vacant TBD	95,892	5%	4,795	3%	2,877	1%	959	0%	-	9%	8,630
5	Operations-Maintenance Technician	166,483	0%	-	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	193,901	3%	5,817	2%	3,878	5%	9,695	1%	1,939	11%	21,329
7	Water Conservation & Outreach Specialist	121,086	1%	1,211	40%	48,434	2%	2,422	25%	30,272	68%	82,339
8	Water Resources Technician	83,992	1%	840	2%	1,680	1%	840	6%	5,040	10%	8,399
9	Field Technician	79,760	0%	-	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	79,760	0%	-	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	30%	6,578	15%	3,289	0%	-	5%	1,096	50%	10,964
	Total Salaries/Benefits	**2,503,082**		**755,504**		**100,514**		**55,848**		**47,697**		**959,562**

Note: Totals may not tie due to rounding.

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Facility Operations
Service Expense Group Summary

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

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

Coastal Distribution System (CDS)
Coastal Distribution System Facilities include over 21-miles of sub-surface supplemental water conveyance pipeline located in the coastal area extending from Elkhorn Slough to Sunset Beach, and inland to approximately Highway 1. The CDS is capable of providing supplemental water to approximately 6,100 irrigated acres. Staff projects delivery of more than 5,000 acre-feet of supplemental water supply this fiscal year. Operational costs include utilities, maintenance, and professional services for software, lease expenses, water quality sampling, and electrical, meter and pipeline maintenance.

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

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

Watsonville Area Recycled Water Facility (RWF)
The RWF, constructed, operated, and maintained in collaboration with the City of Watsonville (City), was designed to produce up to 4,000 acre-feet per year of tertiary-treated, Title 22 compliant recycled water for use as an irrigation supply, delivered through the CDS, in lieu of groundwater. Expenses in this category are for annual fees, studies, and operations and maintenance (O&M) costs paid to the City for water produced at the RWF and include equipment, chemicals, staff time, etc. This year's budget includes $2.5 million in O&M costs to the City for an anticipated 3,500 acre-feet (AF) of recycled water production based on an average of the last three years and anticipated increase in production. The recycled water will be blended with approximately 1,500 acre-feet of in-basin blend water.

Metering Program
The Metering Program consists of maintaining and reading approximately 1,000 flow meters basin-wide on a quarterly basis. Calibrated flow meters measure groundwater extractions and water deliveries for basin management and billing purposes. PV Water is in the process of upgrading traditional meters to telemetry meters, which allow for cloud-based access of data for staff and customers alike. In FY22-23, $170,000 is included for telemetry meters upgrades and supporting services. This work is funded in part by a $75,000 WaterSMART, Small-Scale Water Efficiency Project Grant provided by the US Bureau of Reclamation.

Table 8. Facility Operations Expenditures

July 1, 2022 to June 30, 2023

	Harkins Slough Facility	Coastal Distribution System	Supplemental Water (In-Basin)	Recycled Water Facility	Metering Program	Total
Expenditures						
Wages & Benefits	79,343	379,687	36,329	23,516	364,449	883,324
Conferences/Training	-	3,000	-	-	1,500	4,500
Travel - Mileage - Meals - Lodging	-	2,000	-	-	-	2,000
Bank Charges/Bond Fees	10,000	10,000	10,000	-	10,000	40,000
Insurance	10,000	10,000	6,500	-	10,000	36,500
Taxes/Fees	4,000	-	-	25,000	-	29,000
Legal Notices & Ads	-	-	-	-	-	-
Dues & Subscription	500	1,000	500	-	500	2,500
Office Expense/Supplies	500	1,000	500	-	500	2,500
Postage	1,000	1,250	1,000	-	1,750	5,000
Printing	500	500	500	-	250	1,750
Utilities	80,000	2,000	250,000	-	-	332,000
Telephone/Communications	3,000	3,000	3,000	-	3,000	12,000
Office Equipment Leases	2,000	2,000	1,500	-	1,500	7,000
Well Leases	-	-	200,000	-	-	200,000
Field Supplies/Equipment	15,000	25,000	7,000	-	3,000	50,000
Elections	-	-	-	-	-	-
Legal Services	-	-	5,000	-	-	5,000
Professional Services	10,000	5,000	25,000	100,000	3,000	143,000
Meter Contractor	-	-	-	-	24,000	24,000
LAFCO District Fees	-	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-	-
Facilities Maintenance	2,000	2,000	2,000	-	2,000	8,000
Land Acquisition	-	-	-	-	-	-
Information Technology	25,000	20,000	22,000	-	16,000	83,000
Licensed Contractors	75,000	50,000	250,000	-	-	375,000
Vehicle Maintenance	5,000	10,000	5,500	-	10,000	30,500
Vehicle Purchase	5,000	80,000	5,000	-	5,000	95,000
Meters	-	-	-	-	170,000	170,000
COW Reimb O&M	-	-	-	2,500,000	-	2,500,000
Rebates	-	-	25,000	-	-	25,000
Crop Loss	-	-	-	-	-	-
City Connection Water Charges	-	600,000	-	-	-	600,000
Miscellanous (X-Band Radar/Uniforms)	-	-	-	-	-	-
Water Sampling	12,000	35,000	-	-	-	47,000
Bond Administration Fee	-	-	-	-	-	-
DWR Note Payable	-	-	-	-	-	-
SWRCB Loan	-	-	-	-	-	-
2015 Bond	-	-	-	-	-	-
2016 Bond	-	-	-	-	-	-
Total Expenditures	**$ 339,843**	**$ 1,242,437**	**$ 856,329**	**$ 2,648,516**	**$ 626,449**	**$ 5,713,574**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Special Revenue Fund 20 — Facility Operations											
		Includes 10% Allowance for Non-Exempt	Harkins Slough		Coastal Distribution System		Supplemental Water (In-Basin)		Recycled Water Facility		Metering Program		**Total**	
			%	$	%	$	%	$	%	$	%	$	%	$
	Agency Administration													
1	General Manager	311,683	1%	3,117	1%	3,117	2%	6,234	1%	3,117	1%	3,117	6%	18,701
2	Finance & Administrative Services Manager	193,109	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
3	Financial Analyst	158,338	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
4	Administrative Analyst	158,317	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
5	Customer Service Rep	147,122	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	115,063	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
	Operations													
1	Water Meter Program Coordinator	167,643	2%	3,353	20%	33,529	0%	-	0%	-	75%	125,732	97%	162,613
2	Water System Operations Supervisor	218,771	10%	21,877	50%	109,385	5%	10,939	5%	10,939	5%	10,939	75%	164,078
3	Water System Operator	190,236	10%	19,024	50%	95,118	5%	9,512	2%	3,805	8%	15,219	75%	142,677
4	Vacant TBD	95,892	3%	2,877	4%	3,836	3%	2,877	3%	2,877	1%	959	14%	13,425
5	Operations-Maintenance Technician	166,483	5%	8,324	40%	66,593	0%	-	0%	-	55%	91,566	100%	166,483
6	Associate Hydrologist	193,901	4%	7,756	2%	3,878	2%	3,878	1%	1,939	2%	3,878	11%	21,329
7	Water Conservation & Outreach Specialist	121,086	0%	-	0%	-	1%	1,211	0%	-	3%	3,633	4%	4,843
8	Water Resources Technician	83,992	6%	5,040	10%	8,399	2%	1,680	1%	840	15%	12,599	34%	28,557
9	Field Technician	79,760	5%	3,988	35%	27,916	0%	-	0%	-	60%	47,856	100%	79,760
10	Maintenance Technician	79,760	5%	3,988	35%	27,916	0%	-	0%	-	60%	47,856	100%	79,760
11	Intern	21,928	0%	-	0%	-	0%	-	0%	-	5%	1,096	5%	1,096
	Total Salaries & Benefits	**2,503,082**		**79,343**		**379,687**		**36,329**		**23,516**		**364,449**		**883,324**

Note: Totals may not tie due to rounding.

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Basin Management
Service Expense Group Summary

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

Basin Modeling
PV Water collaborated with the United States Geological Survey (USGS) to develop the Pajaro Valley Hydrologic Model (PVHM), under the guidance of a Technical Advisory Committee, between 2005 and 2010. The PVHM is the primary tool used to provide water budget information to help inform water resource planning activities, and to simulate water management scenarios, such as climate change or project implementation, in support of basin management planning efforts. The budget provides funding for PVHM updates and continued improvements to assist staff with SGMA compliance, which has included the development of tools to help the PVHM "self-update," and to more easily produce water budget & change in groundwater storage information. Ongoing work supports PV Water's efforts to comply with SGMA, and is an integral component of present and future planning efforts. Most recently, staff used the PVHM to support the development of the BMP Groundwater Sustainability Update 2022 (GSU22), PV Water's 5-year update to its GSP Alternative, through the simulation of projects implementation, climate change, and sea level rise scenarios.

Basin Monitoring
Monitoring hydrologic conditions of the Pajaro Valley Groundwater Basin provides critical information to water managers and the public to evaluate the progress toward achieving sustainable groundwater resources. Staff use data collected through monitoring programs to track and report changing conditions within the Basin that result from the implementation BMP projects and management actions, as well as climate and weather variability. Staff routinely monitor groundwater, surface water, water supply facilities, soils, land use, and weather. The data collected assists in tracking spatial and temporal changes to water quality, groundwater levels, streamflow, and soil quality. The programs also provide data to satisfy monitoring and reporting requirements of numerous environmental permits and annual reporting including: the Harkins Slough Water-Right Permit, the NPDES General Low-Threat Discharge Permit, the Master Reclamation Permit, and SGMA annual reporting. Staff oversee the water quality aspects of the supplemental water facilities; maintain field instrumentation; review well permit applications, and document Basin conditions as needed to meet the requirements of over $65 million in water resources construction grants awarded to the Agency.

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

In-Basin Management
The In-Basin Management section of the budget has historically funded the development of the Basin Management Plan (BMP). The Board of Directors certified the BMP Update Environmental Impact Report (Resolution 2014-04) and approved the BMP Update (Resolution 2014-05) in April 2014. In 2016, PV Water developed a BMP Implementation Plan Strategy. In December 2016, PV Water submitted the BMP Update, Agency Act, and other supporting documents to the DWR as an Alternative to a Groundwater Sustainability Plan (GSP). DWR approved PV Water's Alternative in July 2019. Following a year-long process led by the Ad Hoc Sustainable Groundwater Planning Advisory Committee, the Board adopted Resolution 2021-17, "Adopting the Basin Management Plan: Groundwater Sustainability Update 2022 and Authorizing the General Manager or Designee to Submit the Basin Management Plan: Groundwater Sustainability Update 2022 to the California Department of Water Resources". DWR awarded

PV Water a $0.5 million "Proposition 68 Sustainable Groundwater Management Grant Program Planning - Round 3 Grant" to support the stakeholder driven, committee effort to prepare the five-year update. Funding in FY22-23 is primarily for data analysis, preparation and presentation of the annual report, and responding to comments on the GSU22.

Regional Water Management

PV Water, in partnership with San Benito County Water District (SBCWD) and Santa Clara Valley Water District (Valley Water), compose the Regional Water Management Group (RWMG) and lead the Integrated Regional Water Management (IRWM) efforts for the Pajaro River Watershed. The RWMG most recently updated and adopted the IRWM Plan in October 2019. In April 2020, the PV Water Board adopted Resolution 2020-03, adopting the 2019 Pajaro River Watershed Integrated Regional Water Management Plan. DWR approved the plan in April 2020. Work this fiscal year will include coordination meetings with SBCWD and Valley Water, potential pursuit of regional grant funding with the partners, and water resource planning as needed to maintain compliance with updated IRWM requirements.

Out-of-Basin Funding

Out-of-Basin Funding efforts include continued pursuit of state and federal grants. Title XVI, at the federal level, and various propositions at the state level, continue to represent significant funding opportunities. Over the course of the fiscal year, PV Water expects to receive approximately $5 million in grant reimbursements. This year's budget includes funding for grant writing, contracting, and management of grants and contractors, as well as lobbying services.

In-Basin Funding

In June 2019, the Board approved an agreement to develop an updated Cost of Service Rate Study Rate Study) to evaluate anticipated revenue needs to cover expenditures associated with the continued implementation of the BMP Update. The Board established an Ad Hoc Funding Committee in November 2019 to receive information developed as part of the Rate Study, evaluate potential options to meet revenue requirements, and make recommendations to the Board of Directors. The Committee voted in favor of recommending the rate structure, as proposed during its January 2021 meeting, to the Board. The Board adopted the Rate Study in February 2021. The Rate Study identifies water user categories and anticipated use amounts for each category. It also identifies costs of service, allocates the costs to the water users, and proposes a rate increase. The Board adopted Ordinances 2021-01 and 2021-02, adjusting the Agency's Delivered Water Charge and Groundwater Augmentation Charge in April 2021.

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Table 10. Basin Management Expenditures

Basin Management July 1, 2022 to June 30, 2023							
	Basin Modeling	**Basin Monitoring**	**In-Basin Management**	**Regional Water Management**	**Out-of-Basin Funding**	**In-Basin Funding**	**Total**
Expenditures							
Wages & Benefits	68,329	107,464	52,802	8,436	25,473	17,527	280,031
Conferences/Training	1,500	3,000	-	-	-	-	4,500
Travel - Mileage - Meals - Lodging	1,000	2,000	-	500	4,000	500	8,000
Bank Charges/Bond Fees	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Taxes/Fees	-	-	-	-	-	-	-
Legal Notices & Ads	-	-	250	500	-	2,500	3,250
Dues & Subscription	-	1,000	-	-	-	-	1,000
Office Expense/Supplies	-	-	-	-	-	-	-
Postage	-	-	-	-	-	1,000	1,000
Printing	-	-	-	500	-	1,000	1,500
Utilities	-	-	-	-	-	-	-
Telephone/Communications	-	-	-	-	-	-	-
Office Equipment Leases	-	-	-	-	-	-	-
Well Leases	-	-	-	-	-	-	-
Field Supplies/Equipment	-	22,000	-	-	-	-	22,000
Elections	-	-	-	-	-	-	-
Legal Services	-	-	15,000	-	-	25,000	40,000
Professional Services	100,000	50,000	100,000	25,000	150,000	25,000	450,000
Meter Contractor	-	-	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-	-	-
Land Acquisition	-	-	-	-	-	-	-
Information Technology	16,000	16,000	-	-	-	-	32,000
Licensed Contractors	-	15,000	-	-	-	-	15,000
Vehicle Maintenance	-	3,000	-	-	-	-	3,000
Vehicle Purchase	-	5,000	-	-	-	-	5,000
Meters	-	-	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-	-	-
Rebates	-	-	-	-	-	-	-
Crop Loss	-	-	-	-	-	-	-
City Connection Water Charges	-	-	-	-	-	-	-
Miscellanous (X-Band Radar/Uniforms)	-	-	-	-	-	-	-
Water Sampling	-	40,000	-	-	-	-	40,000
Bond Administration Fee	-	-	-	-	-	-	-
DWR Note Payable	-	-	-	-	-	-	-
SWRCB Loan	-	-	-	-	-	-	-
2015 Bond	-	-	-	-	-	-	-
2016 Bond	-	-	-	-	-	-	-
Total Expenditures	**$ 186,829**	**$ 264,464**	**$ 168,052**	**$ 34,936**	**$ 179,473**	**$ 72,527**	**$ 906,281**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Special Revenue Fund 20 — Basin Management													
		Includes 10% Allowance for Non-Exempt	Basin Modeling		Basin Monitoring		In-Basin Management Plan		Regional Water Management Plan		Out Of Basin Funding		In-Basin Funding (Rate Setting)		**Total**	
			%	$	%	$	%	$	%	$	%	$	%	$	%	$
	Agency Administration															
1	General Manager	311,683	3%	9,350	4%	12,467	6%	18,701	1%	3,117	5%	15,584	4%	12,467	23%	71,687
2	Finance & Administrative Services Manager	193,109	0%	-	0%	-	0%	-	0%	-	2%	3,862	1%	1,931	3%	5,793
3	Financial Analyst	158,338	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
4	Administrative Analyst	158,317	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
5	Customer Service Rep	147,122	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	115,063	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
	Operations															
1	Water Meter Program Coordinator	167,643	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	218,771	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
3	Water System Operator	190,236	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
4	Vacant TBD	95,892	2%	1,918	2%	1,918	5%	4,795	1%	959	3%	2,877	2%	1,918	15%	14,384
5	Operations-Maintenance Technician	166,483	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	193,901	25%	48,475	25%	48,475	12%	23,268	1%	1,939	1%	1,939	0%	-	64%	124,096
7	Water Conservation & Outreach Specialist	121,086	0%	-	2%	2,422	2%	2,422	2%	2,422	1%	1,211	1%	1,211	8%	9,687
8	Water Resources Technician	83,992	5%	4,200	45%	37,796	3%	2,520	0%	-	0%	-	0%	-	53%	44,516
9	Field Technician	79,760	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	79,760	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	20%	4,386	20%	4,386	5%	1,096	0%	-	0%	-	0%	-	45%	9,868
	Total Salaries & Benefits	**2,503,082**		**68,329**		**107,464**		**52,802**		**8,436**		**25,473**		**17,527**		**280,031**

Note: Totals may not tie due to rounding.

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Capital Projects
Service Expense Group Summary

Following years of work and community engagement, the Board of Directors certified the BMP Update Environmental Impact Report (Resolution 2014-04), approved the Basin Management Plan Update (Resolution 2014-05), and adopted Ordinances 2015-01 and 2015-02 adjusting PV Water's rate structures to advance the implementation of the BMP Update. The projects and management actions described in the BMP Update are projected to halt seawater intrusion, eliminate groundwater overdraft, and achieve sustainable groundwater resources within the Basin. Work to implement the projects and management actions, which include those listed below, is either completed or ongoing.

- Conservation of existing water supplies
- Increased production and deliveries from existing facilities
- Increased Recycled Water Storage
- Harkins Slough Facility Upgrades*
- Watsonville Slough Diversion with Recharge Basins*
- College Lake Integrated Resources Management Project
- Murphy Crossing with Recharge Basin (Phase II project)

* *Collectively referred to as the Watsonville Slough System Managed Aquifer Recharge & Recovery Projects*

In January 2017, the Board of Directors approved an agreement for Basin Management Plan Implementation – Program Management Services. The agreement funds a team of engineers, environmental scientists, property rights experts, funding experts, and others, to work with staff to advance the College Lake Integrated Resources Management Project and the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. Tasks funded under the agreement include program administration, planning and engineering support, environmental review and permitting, property-rights, water-rights, public and stakeholder outreach, and funding. Provided below brief summaries of relevant project milestones, as well as anticipated work during FY22-23.

College Lake Integrated Resources Management Project
In October 2019, the Board adopted Resolution 2019-18, Certifying the Final Environmental Impact Report, Adopting Findings Pursuant to the California Environmental Quality Act, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program for the College Lake Integrated Resources Management Project and Resolution 2019-19, Selecting, Approving, and Adopting the College Lake Integrated Resources Management Project. In August 2020, the Board approved agreements for design and bid period services, and in October 2020, the Board approved agreements for environmental & permitting support, property rights, and fish passage design services. In December 2021, the State Water Resources Control Board approved the water-right permit A032881 for the Project, providing PV Water the ability to appropriate up to 3,000 AF of water from Salsipuedes Creek per year. In January 2022, following a year-long, community-based Ad Hoc Adaptive Management Plan Committee effort, the Board adopted Resolution 2022-03, Adopting the College Lake Integrated Resources Management Project Adaptive Management Plan 2022, Fulfilling Environmental Impact Report Mitigation Measures, and Directing the General Manager, or Designee, to Implement the Adaptive Management Plan (AMP). The budget includes funding for FY22-23 to continue with implementation of the Project and the AMP.

Watsonville Slough System Managed Aquifer Recharge & Recovery Projects
In January 2021, the Board adopted Resolution 2021-03, Certifying the Final Environmental Impact Report, Adopting Findings Pursuant to the California Environmental Quality Act, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program for the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. The Board also adopted Resolution 2021-04 Selecting, Approving, and Adopting the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. The budget includes funding for FY22-23 to continue with implementation of the Project.

Basin Monitoring Network Improvements Project

The purpose of this project is to install additional monitoring wells within the Basin to better understand the effect of groundwater extraction countered by PV Water's projects and management actions on groundwater levels and quality. Staff have initiated the application process with DWR for *Technical Support Services* in support of the installation of new monitoring wells to fill data gaps (as described in GSU22) and to improve the PV Water's ability to monitor the effectiveness of projects and management actions. The Cost of Service Rate Study, approved by the Board in 2021, included $1.5 million in funding to construct new monitoring wells. More recently, staff submitted a grant proposal to DWR that requested $2.2 million in funds to support the construction of new monitoring wells.

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Table 12. Capital Projects Expenditures

Capital Projects July 1, 2022 to June 30, 2023					
	Basin Monitoring Improvements	**Harkins Slough Facility Upgrades**	**College Lake Integrated Resources Management Project**	**Struve Slough Diversion with Recharge Basins**	**Total**
Expenditures					
Wages & Benefits	19,443	87,915	164,698	82,098	354,154
Conferences/Training	-	-	-	-	-
Travel - Mileage - Meals - Lodging	-	-	-	-	-
Bank Charges/Bond Fees	-	-	-	-	-
Insurance	-	-	-	-	-
Taxes/Fees	-	-	10,000	25,000	35,000
Legal Notices & Ads	-	1,000	1,000	3,000	5,000
Dues & Subscription	-	-	-	-	-
Office Expense/Supplies	-	-	-	-	-
Postage	-	-	-	-	-
Printing	-	1,000	2,000	2,000	5,000
Utilities	-	-	-	-	-
Telephone/Communications	-	-	-	-	-
Office Equipment Leases	-	-	-	-	-
Well Leases	-	-	-	-	-
Field Supplies/Equipment	25,000	1,000	-	-	26,000
Elections	-	-	-	-	-
Uniforms	-	-	-	-	-
Legal Services	-	75,000	500,000	75,000	650,000
Professional Services	100,000	750,000	2,900,000	1,250,000	5,000,000
Meter Contractor	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-
Land Acquisition	75,000	1,250,000	5,000,000	350,000	6,675,000
Information Technology	-	-	-	-	-
Licensed Contractors	2,000,000	800,000	10,000,000	-	12,800,000
Vehicle Maintenance	-	-	-	-	-
Vehicle Purchase	-	-	-	-	-
Meters	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-
Rebates	-	-	-	-	-
Crop Loss	-	-	-	-	-
City Connection Water Charges	-	-	-	-	-
Miscellanous (X-Band Radar/Uniforms)	-	-	-	-	-
Water Sampling	-	-	-	-	-
Bond Administration Fee	-	-	-	-	-
DWR Note Payable	-	-	-	-	-
SWRCB Loan	-	-	-	-	-
2015 Bond	-	-	-	-	-
2016 Bond	-	-	-	-	-
Total Expenditures	**$ 2,219,443**	**$ 2,965,915**	**$ 18,577,698**	**$ 1,787,098**	**$ 25,550,154**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Capital Projects Fund 30											
			Capital Projects											
		Includes 10% Allowance for Non-Exempt	Basin Monitoring Improve-ments		Harkins Slough Facility Upgrades		College Lake Intergrated Resources Management Project		Struve Slough Diversion & Recharge Basins		Recycled Water Facilty Improvements		**Total**	
			%	$	%	$	%	$	%	$	%	$	%	$
	Agency Administration													
1	General Manager	311,683	2%	6,234	8%	24,935	10%	31,168	8%	24,935	0%	-	28%	87,271
2	Finance & Administrative Services Manager	193,109	1%	1,931	2%	3,862	8%	15,449	2%	3,862	0%	-	13%	25,104
3	Financial Analyst	158,338	0%	0	0%	-	0%	-	0%	-	0%	-	0%	-
4	Administrative Analyst	158,317	1%	1583.17	5%	7,916	20%	31,663	5%	7,916	0%	-	31%	49,078
5	Customer Service Rep	147,122	0%	0	0%	-	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	115,063	0%	0	0%	-	0%	-	0%	-	0%	-	0%	-
	Operations													
1	Water Meter Program Coordinator	167,643	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	218,771	0%	-	5%	10,939	10%	21,877	5%	10,939	0%	-	20%	43,754
3	Water System Operator	190,236	0%	-	3%	5,707	15%	28,535	3%	5,707	0%	-	21%	39,950
4	Vacant TBD	95,892	0%	-	20%	19,178	20%	19,178	20%	19,178	0%	-	60%	57,535
5	Operations-Maintenance Technician	166,483	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	193,901	5%	9,695	5%	9,695	2%	3,878	2%	3,878	0%	-	14%	27,146
7	Water Conservation & Outreach Specialist	121,086	0%	-	4%	4,843	10%	12,109	4%	4,843	0%	-	18%	21,795
8	Water Resources Technician	83,992	0%	-	1%	840	1%	840	1%	840	0%	-	3%	2,520
9	Field Technician	79,760	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	79,760	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
	Total Salaries & Benefits	**2,503,082**		**####**		**87,915**		**164,698**		**82,098**		**-**		**354,154**

Note: Totals may not tie due to rounding.

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Debt Service Payments
Service Expense Group Summary

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

Note Payable – Department of Water Resources (DWR)
The Agency entered into a promissory note on June 15, 2005 with the DWR in the amount of $3,511,446. The loan proceeds were used for the construction of projects identified in the Revised BMP (2002). Principal and interest for FY22-23 amounts to $251,416, with interest at 2.4%. The final payment on this note is due September 30, 2027.

Bond Payable - 2015 Water Revenue Refunding Bonds
The Agency issued Water Revenue Refunding Bonds in the amount of $19,970,000 in 2015 primarily to refinance 1999 Certificate of Participation and two State Water Resources Control Board loans used to construct Harkins Slough Managed Aquifer Recharge and Recovery Facilities, the Coastal Distribution System, and Blend Wells. Principal and interest for FY22-23 amounts to $2,294,850, with interest ranging from 3% to 5%. The final payment on this bond is due March 1, 2029.

Bond Payable - 2016 Water Revenue Refunding Bonds
The Agency issued Water Revenue Refunding Bonds in the amount of $11,435,000 in 2016 to refinance the City of Watsonville's 2007 Water Revenue Bonds for costs associated with the design and construction of the Recycled Water Facility. Principal and interest for FY22-23 amount to $803,313, with interest ranging from 3% to 5%. The final payment on this bond is due March 1, 2036.

State Revolving Fund (SRF) Financial Agreement – State Water Resources Control Board (SWRCB)
The Agency entered a grant agreement with the SWRCB for "Water Recycling Construction Financing" effective February 5, 2016. The Recycled Water 1.5-million gallon Storage Tank and Distribution Pump Station Improvements Project, Phase I agreement, made available grant funds to cover approximately 35% of design and construction costs, and SRF funds to finance the remaining 65% of costs at a rate of 1% over 30-years. Due in large part to the success of the Agency to acquire additional grant funds, including from DWR and the Bureau of Reclamation, the Agency did not utilize the SRF financing.

In September 2019, the Agency entered into Amendment No. 1 of the Installment Sale Agreement for the Recycled Water Treatment, Storage, & Distribution System Improvements Phase 2 Recycled Water Treatment and Filtration Project. The "Approved Final Project Budget" included Proposition 1 Grant funds in the amount of $1,592,500, and "Clean Water SRF Fund 1%", in the amount of $3,617,500 with an interest rate in the amount of "one percent (1%) per annum". Total annual payment due on or before July 1 of each year is $74,963.51. The final payment related to this agreement is due on July 1, 2050.

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Table 14. Debt Service Summary

Debt Service July 1, 2022 to June 30, 2023	
Expenditures	
DWR Note Payable Principal	221,819
DWR Note Pinterest	29,597
SWRCB Loan Principal	56,736
SWRCB Loan Interest	18,228
2015 Bond Payment Principal	1,940,000
2015 Bond Payment Interest	354,850
2016 Bond Payment Principal	475,000
2016 Bond Payment Interest	328,213
Total Expenditures	**$ 3,424,443**

Note: Totals may not tie due to rounding.

Table 15. Bond Covenant Summary

BOND COVENANT TEST		
Bond Principal	$	2,415,000
Bond Interest		683,063
Annual Payment		3,098,063
@ 110%		3,407,869
Water Service Revenue		15,200,000
Water Service O&M		8,923,222
Net Revenue		6,276,778
Over Debt Covenant	**$**	**2,868,909**

Note: Totals may not tie due to rounding.

The Bond Covenant Test shows this budget satisfies the requirements of the bond debt covenant agreements in excess of $2.86 million.