PAJARO VALLEY WATER MANAGEMENT AGENCY

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

Board of Directors Meeting
June 21, 2023, 6:00

Watsonville City Council Chambers
275 Main Street, 4th Floor
Watsonville, CA

BOARD MEETING AGENDA

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), Bob Culbertson (Treasurer), Javier Zamora, 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:**
   a. **CONFERENCE WITH LEGAL COUNSEL – (Cal. Gov't Code §54954.5 & 54956.(1))**
      Name of Case: PV Water v. Gomez – SCSC Case No. 22CV01634

   b. **CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION (Gov't Initiation of litigation pursuant to Gov't Code §54956.9(d)(4) (1 potential matter)**

   Open Session (anticipated to resume at 7:00 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. Approve May 17, 2023, Minutes
B. Approve Financial Reports
C. Adopt Resolution 2023-13, Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees)
D. Adopt Resolution 2023-14, Updating Cash Reserve Policy for the Fiscal Year Ending June 30, 2024
E. Adopt Resolution 2023-15, Updating Statement of Investment Policy
F. Approve Agreement with ZAG Technical Services, Inc., for Information Technology Professional Support Services from July 1, 2023, through June 30, 2025, in an Amount Not to Exceed $150,000
G. Adopt Resolution 2023-16, Placing in Nomination Mary Bannister as a Member of the Association of California Water Agencies, Region 5 Director
H. Adopt Resolution 2023-17, Expressing Appreciation to Frank Capurro for Dedicated Service to the Pajaro Valley Water Management Agency
    1. Introduction by staff
    2. Questions from Board
    3. Public comment
    4. Board discussion and deliberations
    5. Board action

10. Informational Items

A. Receive Basin Management Plan Implementation Update

11. Discussion and/or Action Items

A. Consider Adoption of Proposed Final Budget for the Fiscal Year Ending June 30, 2024
    1. Introduction by staff
    2. Questions from Board
    3. Public comment
    4. Board discussion and deliberation
    5. Board action

B. Consider Agreement with the Amah Mutsun Land Trust for College Lake Integrated Resources Management Project, 30-39, Tribal Monitoring Services, in an Amount Not to Exceed $100,000
    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 2023 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, June 28, 2023, 3:00 p.m. PV Water, Warren Koenig Conference Room, 36 Brennan St., Watsonville, CA
B. Administrative/Finance Committee, Tuesday, July 11, 2023, 3:00 p.m., PV Water, Warren Koenig Conference Room, 36 Brennan St., Watsonville, CA
C. Board of Director's Meeting, Wednesday, July 19, 2023, 7:00 p.m., PV Water Field Office, 76 Holohan Road, Watsonville, CA
D. Project & Facility Operations Committee, Wednesday, July 26, 2023, 3:00 p.m., PV Water, Warren Koenig Conference Room, 36 Brennan St., Watsonville, CA

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.

Should Remote Access be Available for Public Access to Board of Directors Meeting

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

PAJARO VALLEY WATER MANAGEMENT AGENCY
36 BRENNAN STREET • WATSONVILLE, CA 95076
TEL: (831) 722-9292 • FAX: (831) 722-3139
email: info@pvwater.org • https://www.pvwater.org

Board of Directors Meeting
May 17, 2023, 6:00 p.m.

Pajaro Valley Water Management Agency
Field Office – 76 Holohan Road
Watsonville, CA

DRAFT BOARD MEETING MINUTES

1. **Call to Order:** The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order at 6:15 p.m. by Chair Newell, at the PV Water Field Office, 76 Holohan Road, Watsonville.

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

Board Members Present:	Newell, Rider, Culbertson, Bannister
Board Members Absent:	Zamora, Broz, Sanchez
Staff Members Present:	Brian Lockwood, General Manager (GM) Laura R. Taay, Board Secretary Marcus Mendiola, Water Conservation and Outreach Specialist (WCOS) Nancy Trevino, Finance & Administrative Services Manager (FASM)
Others Present:	Tony Condotti, Agency Counsel (AC) Samuel Humy, Associate Agency Counsel (AAC) (Closed session only) Ellen Cross, Consultant, Strategy Driver Maria Pascoal, Consultant, GEI Tom Rider, Public

3. **Pledge of Allegiance**

4. **Oral Communications:** None

5. **Closed Session – 2 Items:**
   a. **CONFERENCE WITH LEGAL COUNSEL – (Cal. Gov't Code §54954.5 & 54956.(1)) Name of Case: PV Water v. Gomez – SCSC Case No. 22CV01634**

   b. **CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION (Gov't Initiation of litigation pursuant to Gov't Code §54956.9(d)(4) (4 potential matters)**

Open Session resumed at 7:02 p.m.

Report on Closed Session – AC Condotti reported Board met to discuss those items listed on posted Agenda. AAC Humy reported only 3 potential matters in item 5-B as 1 paid their account in full. No additional reportable action.

6. **Director Comments:** Director Rider reported on his attendance at the Association of California Water Agencies (ACWA) Spring Conference and provided a report on the sessions he attended. Director Bannister gave an update on her attendance at ACWA and also stated she will run again for ACWA Region 5 Director. Chair Newell reported on her attendance at the ACWA Groundwater Committee meeting. Director Culbertson reported on the City of Watsonville General Plan and noted there will be a series of workshops.

7. **Counsel Report:** No report

8. **General Manager Report:** GM Lockwood reported on his attendance at the ACWA Spring Conference and his upcoming participation in two Sustainable Groundwater Management Act (SGMA) related meetings (one hosted by the Agriculture and Natural Resources Group at UC Berkeley, and the other by the CA Groundwater Resources Association and ACWA – The SGMA Implementation Summit; he reported on WCOS Mendiola's recent attendance at the California Public Information Officers (CAPIO) conference; and PV Water's ongoing participation with the EcoFIP Group, which is evaluating managed aquifer recharge potential associated with the Pajaro River Flood Protection Project. Lastly, GM Lockwood reported that Water Resources Technician, Juliana, has given her notice as she intends to pursue a Master of Science degree in Colorado; staff are recruiting to fill the vacancy that Juliana Ruef's departure will create.

9. **Consent Agenda**
   A. Approval of April 19, 2023, Board Meeting Minutes
   B. Approval of April 25, 2023, Special Board Meeting – Strategic Planning Workshop - Minutes
   C. Approval of Financial Reports
   D. Approval of Engagement with C.J. Brown & Company CPAs for Annual Audit Services for Fiscal Year Ending June 30, 2024
   E. Adoption of Resolution 2023-12, Designating General Manager, or Designee, as the Authorized Representative to File an Application, Pay the Fee, and Execute Agreements with the United States Environmental Protection Agency for a Water Infrastructure Finance and innovation Act Loan

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

   Motion carried by the following voice vote:

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

10. **Informational Items**
    A. Received Basin Management Plan Implementation Update from GM Lockwood

11. **Discussion and/or Action Items**

    A. Conduct Public Hearing on Preliminary Budget for Fiscal Year Ending June 30, 2024
    GM Lockwood summarized the projected revenue and expenditures for the fiscal year ending June 30, 2024. The proposed Final Budget will be brought to the June 21, 2023, Board meeting for final approval.

No public comments received.

B. Consider Agreement with cbec, inc. to develop the College Lake Integrated Resources Management Project, No. 30-39, Operations Plan, in an amount not to exceed $156,832

GM reported on the history with cbec inc. eco engineering which has been supporting the Pajaro Valley Water Management Agency's (PV Water) efforts to implement the College Lake Project over the last 10-years by monitoring and modeling the hydrologic system, providing input to the preparation of the Environmental Impact Report (EIR), and designing the fish passage facility. Cbec's staff have been working closely with PV Water's staff, and with the staff of the National Marine Fisheries Services, and the California Department of Fish and Wildlife.

Action: Director Bannister moved for the Board to approve the agreement, in substantially the same form as the version attached, with cbec eco engineering, inc. to develop the College Lake Integrated Resources Management Project, No. 30-39, Operations Plan in an amount not to exceed $156,832; seconded by Director Culbertson.

Motion carried by the following voice vote:

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

C. Consider Strategic Plan Goals and Objectives

GM Lockwood reported on the two previous Strategic Planning Workshops put on by Strategy Driver, Inc. and the Mission, Vision, Values, and Goals of the agency. He then introduced Ellen Cross, Strategy Driver, Inc., who spoke and showed a power point presentation of the two-meeting outcome. The Board made some final to the Goals & Objectives document.

Action: Director Rider moved for the Board to approve the final version of theGoals and Objectives and include them in the Strategic Plan; seconded by Director Bannister.

Motion carried by the following voice vote:

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

D. Consider Filling Vacancies on PV Water's Standing Committees

GM Lockwood reported Director Sanchez would be vacating his committee membership on the Administrative/Finance and Projects and Facilities Operations Committees and those positions would need to be filled.

Action: Director Rider moved for the Board to approve for the Projects and Facilities Operations Committee: Director Broz to fill the position vacated by Director Sanchez, and Stuart Kitiyama, a grower Inside the Delivered Water Zone, to fill the position vacated by Frank Capurro (since 2003) and the Administrative/Finance Committee, Director Rider to fill position vacated by Director Sanchez; seconded by Director Bannister.

Motion carried by the following voice vote:

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

12. Monthly Reports/Presentations

A. Facility Operations Report
   1. Received 2023 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, May 31, 2023, 3:00 p.m.
B. Administrative/Finance Committee, Tuesday, June 13, 2023, 3:00 p.m.
C. Board of Directors, Wednesday, June 21, 2023,7:00 p.m.
D. Project & Facility Operations Committee, Wednesday, June 28, 2023, 3:00 p.m.

15. Future Agenda Items - None

Adjourned at 8:55 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	4/1/2023			$1,016,209
Cash Receipts				
Disbursements			1,227,534	
Transfers		375,401		
Bank Fees				
Ending Balance	4/30/2023			$164,075
GENERAL FUND10-MMA Mechanics				
Beginning Balance	4/1/2023			$1,387,724
Cash Receipts		1,400		
Transfers			33,189	
Interest Earned		3,156		
Bank Fees				
Ending Balance	4/30/2023			$1,359,091
GENERAL FUND 10 - LAIF				
Beginning Balance	4/1/2023			$2,214,386
Transfers				
Interest Earned		14,925		
Ending Balance	4/30/2023			$2,229,311
GENERAL FUND 20 - LAIF				
Beginning Balance	4/1/2023			$8,131,282
Transfers				
Interest Earned		54,803		
Ending Balance	4/30/2023			$8,186,086
SPECIAL REVENUE FUND 20-ACH Clearing Acct Mechanics				
Beginning Balance	4/1/2023			$0
Cash Receipts				
Sweep/Transfers		2403	2,403	
Disbursments/ACH-Wire				
Bank Fees				
Ending Balance	4/30/2023			$0
SPECIAL REVENUE FUND 20-Operating Mechanics				
Beginning Balance	4/1/2023			$424,804
Cash Receipts		1,956,586		
Transfers		30,000	572,211	
Disbursments/ACH-Wire			145,693	
Bank Fees			1,157	
Interest Earned				
Ending Balance	4/30/2023			$1,692,328
SPECIAL REVENUE Fund 20 Cash Mgmt-FUND20MMN Mechanics				
Beginning Balance	4/1/2023			$5,000,285
Transfers		330,000	130,000	
Disbursments/ACH-Wire				
Bank Fees				
Interest Earned		11,994		
Ending Balance	4/30/2023			$5,212,279
Certificate of Deposit - DWR Loan Reserve Mechanics Fund 40				
Beginning Balance	4/1/2023			$256,968
Interest Earned		654.74		
Ending Balance	4/30/2023			$257,623
Certificate of Deposit - SRF-D1501023				
Beginning Balance	4/1/2023			$76,275
Transfers				
Interest Earned				
Ending Balance	4/30/2023			$76,275

Prior Month Ending Cash Balance:	Total Deposits:	Total Withdrawals:	Month End Cash Balance:
18,507,934	$2,781,321	$2,112,188	19,177,068
Cash Transfers	735,401	735,401	-
Actual Cash Receipts/Disbursements	2,045,921	1,376,788	

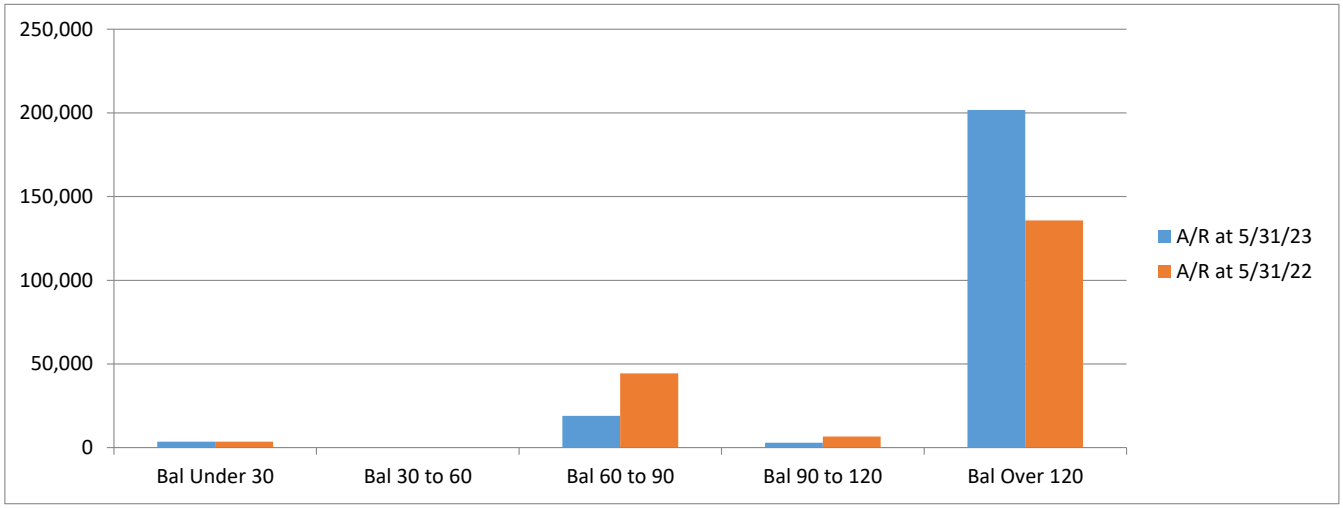
PAJARO VALLEY WATER MANAGEMENT AGENCY
INVESTMENT REPORT
ALL FUNDS
April 30, 2023

Description	Current Yield	Investment	% of Total Portfolio	Weighted Yield
MechanicsClearing Account	0.00%	**$164,075**	0.86%	0.00%
General Fund 10				
Mechanics General Fund 10 Money Market Account	3.04%	1,359,091	7.09%	0.22%
Local Agency Investment Fund	2.74%	2,229,311	11.62%	0.32%
		$3,588,402		
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%	1,692,328	8.82%	0.00%
Mechanics Special Revenue Fund 20 Money Market Account	3.04%	5,212,279	27.18%	0.83%
Local Agency Investment Fund	2.74%	8,186,086	42.69%	1.17%
		$15,090,693		
Long Term Debt Fund 40				
Mechanics Certificate of Deposit DWR Loan Reserve	3.00%	$257,623	1.34%	0.04%
Mechanics Certificate of Deposit SRF-D1501023	3.00%	$76,275	0.40%	0.01%
		333,898		
	Total:	**$19,177,068**	**100.0%**	

Total Funds Reserved	333,898
Total Funds Invested	16,986,767
Total Funds Non-interest Bearing	1,856,403
Total Funds	**$19,177,068**
Total Available Funds	18,843,170
Cash Reserve Policy Requirements (PV Water)	6,330,000
Surplus (Deficit) of Funds	**$12,513,170**

PV Water
Accounts Receivable Aging 3 Month Trend
As of 5/31/2023

	Balance Forward	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Accounts Receivable before credits	227,111	3,536	0	18,895	2,851	201,829
Credits	(23,422)					
Total Accounts Receivable at 5/31/23	203,689					
Accounts Receivable before credits	190,045	3,500	0	44,307	6,563	135,675
Credits	(30,031)					
Total Accounts Receivable at 5/31/22	160,014					
Accounts Receivable before credits	768,327	0	546,665	3,479	0	218,183
Credits	(21,245)					
Total Accounts Receivable at 4/30/23	747,083					
Accounts Receivable before credits	1,128,428	853,101	5,181	0	80,073	190,073
Credits	(20,213)					
Total Accounts Receivable at 3/31/23	1,108,215					



Accounts Payable

Checks by Date - Detail by Check Date

User: Nancy
Printed: 06/07/23

Check No	Vendor Invoice	Vendor Descriptio	Check Reference	Check
44453	A791	ASAP SIGNS & PRINTING	########	
	23540	76 Holahan Sign for 4/23		2,586.48
Total for Check Number 44453:				2,586.48
44454	P1109	BELINDA PLATTS	########	
	2023-2	Professional Services for 4/24 to 4/29/23		300.00
Total for Check Number 44454:				300.00
44455	L563	BRIAN LOCKWOOD	########	
	2/14--3/13/23	GM. Cell reimb. For 2/14-3/13/23		80.00
	REIMB	Donuts for Staff Mtg on for 4/23		74.70
Total for Check Number 44455:				154.70
44456	C103	CBEC ECO ENGINEERING INC	########	
	17-1003-6-15	CL/PS.Hydrologic Monitoring 2022-2023 for 3/1 to 3/31/23		17,877.75
Total for Check Number 44456:				17,877.75
44457	W400	CITY OF WATSONVILLE UTILITIES	########	
	#100507/24515	PVWMA recycled water use for JAN.-MAR, 2023		2,509.87
Total for Check Number 44457:				2,509.87
44458	P651	DAVID PARRA	########	
	REIMB	Reimb for Irrigators mtg supplies4/23		72.49
Total for Check Number 44458:				72.49
44459	E355	EKI ENVIRONMENT & WATER INC	########	
	B90103.03-04	HS. Professional Services for 3/1 to 3/31/23		8,441.98
	B90103.03-04	WSR. Professional Services for 3/1 to 3/31/23		8,441.98
Total for Check Number 44459:				16,883.96
44460	E500	ENVIRONMENTAL SCIENCE ASSOCIATES	########	
	183768	Updating CL Pipeline Project for 3/1-3/31/23		4,748.50
Total for Check Number 44460:				4,748.50
44461	K310	KITTLESON ENVIRONMENTAL CONSULTING	########	
	025.35	PVWMA/CL Biological Consulting for 3/1-4/26/23		4,609.54
Total for Check Number 44461:				4,609.54
44462	M175	MARISCOS PUERTO VALLARTA	########	
	MEETING	Irrigators Mtg for 4/23		620.00
Total for Check Number 44462:				620.00
44463	M2300	McCROMETER, INC.	########	
	592680	Meter replacement Parts Telemetry Project for 4/23		1,580.29
Total for Check Number 44463:				1,580.29
44464	P1160	MIKE PODLECH	########	
	2434	CL Fisheries Support Prof. Services for 4/1 to 4/30/23		525.00
Total for Check Number 44464:				525.00
44465	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	########	
	230323-71	Water Samples Surface for 3/23/23		2,970.00
	230405-80	Water Samples Surface for 4/5/23		465.00
Total for Check Number 44465:				3,435.00
44466	M1650	MONTEREY COUNTY ASSESSOR	########	

Check No	Vendor Invoice	Vendor Descriptio	Check Reference	Check
	294	Disclaimer Assessor Parcel/PVWMA Data Report for 4/23		200.00
Total for Check Number 44466:				200.00
44467	O95	OCEAN AIR & HEATING CO,	########	
	1076	Holohan HVAC install furnace unit bryant pymnt for 4/23		20,500.00
Total for Check Number 44467:				20,500.00
44468	O217	OFFICE AND HOME CLEANING SERVICES	########	
	2182	36 Brennan Mo. Office housekeeping for 4/23		600.00
	2183	76 Holohan Mo. Housekeeping for 4/23		300.00
Total for Check Number 44468:				900.00
44469	O411	O'REILLY AUTO PARTS	########	
	2912-280512	CD's Field Supplies for 4/23		21.94
Total for Check Number 44469:				21.94
44470	P300	PAJARO VALLEY CHAMBER OF COMMERCE	########	
	11673	Annually Membership Rnwal Dues for 4/23 thru 4/24		158.55
Total for Check Number 44470:				158.55
44471	P510	PAJARO VALLEY PRINTING	########	
	45728	2500 Self Seal Window/Regular/Ret. Envelopes for 4/23		404.98
Total for Check Number 44471:				404.98
44472	P180	PENINSULA MESSENGER LLC	########	
	1370503	Monthly RaboBank Courier for 4/23		115.00
Total for Check Number 44472:				115.00
44473	P800	PG & E	########	
	0688235687-3	Service at 76 Holohan Rd for 3/23 to 4/21/23		155.96
	2926809320-9	Service at 36 B Brennan St for 3/23 to 4/23/23		184.61
	3771390038-1	Service at Jensen Rd #3 for 3/21 to 4/19/23		21.71
	4291054495-8	Service at 475 San Andreas Rd for 3/22 to 4/20/23		49.80
	5916054391-0	Service at 187C San Andreas Rd for 3/22 to 4/20/23		1,251.58
Total for Check Number 44473:				1,663.66
44474	P400	PVI PAJARO VALLEY IRRIGATION, INC.	########	
	INV200065528	CD's Field Supplies for 4/23		39.51
Total for Check Number 44474:				39.51
44475	S1405	SC FUELS INC	########	
	0707229	Agency Vehicles Fuel for 4/17 to 4/28/23		634.24
Total for Check Number 44475:				634.24
44476	S1681	SHAMROCK OFFICE SOLUTIONS	########	
	3765645	Contract printer usage charge for 4/2-5/1/23		136.61
Total for Check Number 44476:				136.61
44477	C1580	SPECTRUM BUSINESS COMMUNICATIONS	########	
	0495564042323	LandLine & Internet services for 4/23 to 5/22/23		1,324.67
Total for Check Number 44477:				1,324.67
44478	C1580	SPECTRUM BUSINESS COMMUNICATIONS	########	
	0310817042023	Holahan/Internet/communication for 4/20 to 5/19/22		127.97
Total for Check Number 44478:				127.97
44479	S2865	SWCA ENVIRONMENTAL CONSULT. INC.	########	
	166231	CL. Integrated Resources Mngmnt Project. thru 4/15/23		11,791.25
Total for Check Number 44479:				11,791.25
44480	T333	THE BANK OF NEW YORK MELLON TRUST CO.	########	
	252-2548619	PVWMA 2015 Water Rev.Refund bond for 4/30-4/29/24		1,250.00
Total for Check Number 44480:				1,250.00
44481	T345	THE HOME DEPOT CREDIT SERVICES	########	

Check No	Vendor Invoice	Vendor Descriptio	Check Reference	Check
	1213529	Field supplies for 4/23		36.68
	1213529	Holohan supplies for 4/23		41.08
Total for Check Number 44481:				77.76
44482	U185	U.S. BANK EQUIPMENT FINANCE	########	
	499320711	RICOH Office Copier for 4/23		208.57
	499643781	RICOH Office Copier (upstairs) for 4/23		79.55
Total for Check Number 44482:				288.12
44483	W80	WAGEWORKS INC.	########	
	INV5094437	Mo. Admin & Compliance fee for 4/23		104.00
Total for Check Number 44483:				104.00
44484	Z100	ZAG TECHNICAL SERVICES, INC.	########	
	134215	IT-Annual Contract Monthly Subs/Agreement MS-CSP for 4/23		380.00
	134444	IT-Professional Prefered Support Agreement for 4/23		536.25
Total for Check Number 44484:				916.25
Total for 5/4/2023:				96,558.09
44485	A400	ACWA/JPIA WORKERS COMP	########	
	1/1 Thru 3/31/23	Worker's Compensation Ins. for 1/1 to 3/31/23		4,750.97
Total for Check Number 44485:				4,750.97
44486	R40	CARDMEMBER SERVICE	########	
	APRIL2023	Bridge fee to conference for 4/23		7.00
	APRIL2023	Office supplies for 4/23		136.56
	APRIL2023	Goto Mtg Phone conference for 4/23		24.28
	APRIL2023	office supplies for 4/23		12.83
	APRIL2023	Field supplies/jump start for 4/23		160.40
	APRIL2023	office supplies for 4/23		12.02
	APRIL2023	Holohan/bulletin board cabinet for 4/23		193.41
	APRIL2023	field supplies for 4/23		20.75
	APRIL2023	Holohan/.window covering for 4/23		2,790.91
	APRIL2023	IT-recurring subscription for 4/23		150.34
	APRIL2023	IT office supplies for 4/23		137.19
	APRIL2023	work boots for david for 4/23		-207.59
	APRIL2023	SP Board Mtg for 4/23		46.12
	APRIL2023	office supplies for 4/23		20.20
	APRIL2023	Field supplies jump/start for 4/23		-160.40
	APRIL2023	BOD sp Mtg for 4/23		83.16
	APRIL2023	field supplies for 4/23		51.15
	APRIL2023	IT office supplies for 4/23		193.10
	APRIL2023	Holohan/Scada Keys for 4/23		55.25
	APRIL2023	Holohan/fridge for 4/23		653.99
	APRIL2023	office supplies for 4/23		164.58
	APRIL2023	Admin day recognition for 4/23		39.20
	APRIL2023	office supplies for 4/23		32.28
	APRIL2023	lawn mower/field supplies for 4/23		96.95
	APRIL2023	IT office supplies for 4/23		590.64
	APRIL2023	IT office supplies for 4/23		-193.10
	APRIL2023	Lawn mower/field supplies for 4/23		120.64
	APRIL2023	office supplies for 4/23		14.95
Total for Check Number 44486:				5,246.81
44487	W400	CITY OF WATSONVILLE UTILITIES	########	
	CUST#602389	Office Monthly Utilities for 4/7 to 5/5/23		159.36
Total for Check Number 44487:				159.36
44488	C1677	COMMUNITY PRINTERS INC	########	
	34426012	200 2"x2" Stickers for 4/23		245.27
Total for Check Number 44488:				245.27
44489	E500	ENVIRONMENTAL SCIENCE ASSOCIATES	########	
	184239	Updating CL Pipeline Project for 4/1-4/30/23		4,265.75
Total for Check Number 44489:				4,265.75

Check No	Vendor Invoice	Vendor Descriptio	Check Reference	Check
44490	G148	GOMEZ TAURINO & MARIA	########	
	APPRAISALREIMB.	Apraisal Reimb. CL. 200-280 Minto for 5/23		5,000.00
Total for Check Number 44490:				5,000.00
44491	G170	GRAINGER	########	
	9695044892	Field supplies. for 5/23		57.99
Total for Check Number 44491:				57.99
44492	G195	GREENWASTE RECOVERY LLC	########	
	ID#219557	76 Holohan Green Waste for 5/1 Thru 5/31/23		122.12
Total for Check Number 44492:				122.12
44493	G330	GUTIERREZ CONSULTANTS, INC.	########	
	1779	CL Grant Supp.Serv for 4/1 to 4/30/23		1,335.00
	1779	Funding Support for 4/1 -4/31/23		600.75
Total for Check Number 44493:				1,935.75
44494	M1010	MAGNOLIA GARDENING INC	########	
	27346	36 Brennan Building Mo. Landscape Maint. For 4/23		100.00
	27517	76 Holohan Building Mo. Landscape Maint. For 4/23	HOLOHAN I	90.00
Total for Check Number 44494:				190.00
44495	M1875	MICROSOFT AZURE	########	
	E0600NCQLJ	IT-Support/Pay as you go for 3/12-4/11/23		14.98
Total for Check Number 44495:				14.98
44496	M1086	MILLER MAXFIELD, INC.	########	
	0423PV	CLIRMP Print advertising for 4/23		11,784.50
	0423PV	Public Outreach Consulting for 4/23		8,312.50
	0423PV	S. Media Dev. & support/FB, instegram,Twitter For 4/23		337.50
Total for Check Number 44496:				20,434.50
44497	M1175	MONTEREY BAY ANALYTICAL SERVICE INC	########	
	230222-54	Water Samples Groundwater for 2/22/23		2,210.00
	230405-79	Water Samples CDS for 4/5/23		1,385.00
	230411-119	Water Samples Groundwater for 4/11/23		1,210.00
	230413-69	Water Samples Groundwater for 4/13/23		630.00
	230418-59	Water Samples CD's r for 4/18/23		815.00
	230418-60	Water Samples Groundwater for 4/18/23		840.00
	230420-47	Water Samples Groundwater for 4/20/23		1,210.00
	230425-78	Water Samples Groundwater for 4/125/23		1,750.00
Total for Check Number 44497:				10,050.00
44498	p629	PASILLAS TIRE SERVICES, INC	########	
	43340	Veh. Maint. service on Truck#8 for 5/23		267.08
Total for Check Number 44498:				267.08
44499	P800	PG & E	########	
	9968544374-1	Service at 36 Brennan St for 4/10 to 5/9/23		526.18
Total for Check Number 44499:				526.18
44500	P905	M PRESS DIGITAL INC.	########	
	19996	CL/Post Cards/postage for 4/23		6,398.82
Total for Check Number 44500:				6,398.82
44501	A99	ROBERT HALF, INC	########	
	WE 2/24/23	Temp. S.Saldana for Week Ending 2/24/23	WWK END	1,134.77
Total for Check Number 44501:				1,134.77
44502	S902	STANDARD & POOR'S FINANCIAL SERVICES LLC	########	
	11454229	PS. Analytical Services for 4/23		32,000.00
Total for Check Number 44502:				32,000.00
44503	S2400	STAPLES CREDIT PLAN	########	
	15680	Holohan Office Supplies/surge Protectors for 5/23		94.36

Check No	Vendor Invoice	Vendor Descriptio	Check Reference	Check
Total for Check Number 44503:				94.36
44504	S2875	STRATEGY DRIVER, INC	########	
	902	SDI Professional Services for 4/23		9,285.00
Total for Check Number 44504:				9,285.00
44505	R400	THE PAJARONIAN	########	
	77258	Public hearing/prelim.butdget FY 2023-24 for 4/23		72.50
Total for Check Number 44505:				72.50
44506	V369	VERIZON WIRELESS	########	
	9933777542	Agency Personnel Cell Phones & equipt. for 4/2 - 5/1/23		438.12
Total for Check Number 44506:				438.12
44507	Z100	ZAG TECHNICAL SERVICES, INC.	########	
	134662	IT-Professional Prefered Support Agreement for 5/23		390.00
	134663	IT-Monthly Agreement-KnowBe4 managed service for 5/23		164.88
	134749	IT-Professional Prefered Support Agreement for 5/23		195.00
Total for Check Number 44507:				749.88
Total for 5/15/2023:				103,440.21
ACH	f365	FIRST AMERICAN TITLE CO.	########	
	4408-6258616	APN:051-101-50/208 Paulsen Rd		149,189.75
	4408-6725693	APN:051-221-26 & 30/129 Riverside Dr		32,197.10
Total for this ACH Check for Vendor f365:				181,386.85
Total for 5/17/2023:				181,386.85
ACH	A1250	AFLAC- FLEX ONE	########	
	EE Deferrals	EE PR Deferrals		631.14
Total for this ACH Check for Vendor A1250:				631.14
ACH	E830	DEPT. OF CHILD SUPORT SERVICES	########	
	EE Deferrals	EE PR Deferrals		174.46
Total for this ACH Check for Vendor E830:				174.46
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	########	
	EE Deferrals	EE PR Deferrals		2,800.00
Total for this ACH Check for Vendor N125:				2,800.00
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	########	
	EE Deferrals	EE PR Deferrals		1,768.69
	EE Deferrals	ER/EE Retirement Contributions		9,749.31
Total for this ACH Check for Vendor P1300:				11,518.00
ACH	P555	PVWMA-Cafeteria Account	########	
	EE Deferrals	EE PR Deferrals		958.05
Total for this ACH Check for Vendor P555:				958.05
Total for 5/19/2023:				16,081.65
ACH	A1250	AFLAC- FLEX ONE	########	
	EE Deferrals	EE PR Deferrals		631.14
Total for this ACH Check for Vendor A1250:				631.14
ACH	A300	ACWA/JPIA	########	
	0699519	EE PR Deferrals		25,344.06
Total for this ACH Check for Vendor A300:				25,344.06
ACH	N125	NATIONWIDE RETIREMENT SOLUTION	########	
	EE Deferrals	EE PR Deferrals		2,800.00
Total for this ACH Check for Vendor N125:				2,800.00

Check No	Vendor Invoice	Vendor Descriptio	Check Reference	Check
ACH	P1300	PERS-Fiscal Services Division Cashier Unit	########	
	EE Deferrals	ER/EE Retirement Contributions		9,749.30
	EE Deferrals	EE PR Deferrals		1,768.69
Total for this ACH Check for Vendor P1300:				11,517.99
ACH	P555	PVWMA-Cafeteria Account	########	
	EE Deferrals	EE PR Deferrals		958.05
Total for this ACH Check for Vendor P555:				958.05
Total for 5/22/2023:				41,251.24
ACH	T359	THE STANDARD INSURANCE COMPANY	########	
	April LTD Prem	Long Term Disability Benefits		1,075.02
Total for this ACH Check for Vendor T359:				1,075.02
Total for 5/24/2023:				1,075.02
		Report Total (67 checks):		439,793.06

MEMORANDUM

DATE: June 15, 2023
MEETING OF: June 21, 2023
TO: Board of Directors
FROM: General Manager
RE: **CONSENT ITEM 9C:** Adopt Resolution 2023-13, Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees)

BACKGROUND

When the Pajaro Valley Water Management Agency (PV Water) was established in 1984, the primary source of income was an assessment on parcels within its jurisdiction called the "Management Fee." The Management Fee is assessed annually at a rate of $18 per residential parcel and $20 per commercial parcel, and it is collected via the counties tax rolls.

The counties collect the Management Fee on behalf of the PV Water through a special levy. To enable this collection, the PV Water must prepare listings of the parcel charges and submit them by August 1, along with a request to place these billings on the tax rolls. Resolution 2023-13 constitutes this request.

FISCAL IMPACT

Santa Cruz County charges 1.00% for administrative costs, approximately $3,000. Monterey County charges 0.25%, approximately $160.00. San Benito County charges $0.30 per parcel, or approximately $176.40, for administrative costs. These charges are anticipated in the Fiscal Year 2023-2024 budget.

STAFF RECOMMENDATION

That the Board adopt Resolution 2023-13, Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees).

The Administration & Finance Committee reviewed this item on June 13, 2023, and voted in favor of recommending the Board adopt the resolution.

ATTACHMENT

- Resolution 2023-13 with Exhibit "A"

Resolution 2023-13

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

Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees)

WHEREAS, the initial major source of income for the Pajaro Valley Water Management Agency (PV Water) as established in 1984 has been a Management Fee assessed to each parcel within PV Water's jurisdiction, which for 2023-2024 will be at the rate of $18 per residential and $20 per commercial parcel; and

WHEREAS, such charges as assessed by the PV Water are authorized in Article 9 of the PV Water enabling legislation and have been processed by the Counties of Santa Cruz, Monterey and San Benito since inception; and

WHEREAS, the Pajaro Valley Water Management Agency ("Public Agency") requests that the Public Agency's management fee be placed on the Monterey County, San Benito County and Santa Cruz County 2023-2024 tax rolls for collection and distribution.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. The Public Agency hereby certifies that it has, without limitation, complied with all legal procedures and requirements necessary for the levying and imposition of the general and special taxes, assessments, or property-related fees or charges identified in Exhibit "A", regardless of whether those procedures and requirements are set forth in the Constitution of the State of California, in State statutes, or in the applicable decisional law of the State of California.

2. The Public Agency further certifies that, except for the sole negligence or misconduct of the Counties of Monterey, San Benito, and Santa Cruz, their officers, employees, and agents with regards to the handling of the CD or electronic file identified as Exhibit 'A', the Public Agency shall be solely liable and responsible for defending, at its sole expense, cost and risk, each and every action, suit or other proceeding brought against the Counties of Monterey, San Benito, and Santa Cruz, their officers, employees, and agents for every claim, demand, or challenge to the levying or imposition of the general and special taxes, assessments, or property-related fees or charges identified in Exhibit "A", and that it shall pay or satisfy any judgment rendered against the Counties of Monterey, San Benito, and Santa Cruz, their officers, employees and agents on every such action, suit or other proceeding, including all claims for refunds and interest thereon, legal fees and court costs, and administrative expenses of the Counties of Monterey, San Benito, and Santa Cruz to correct the tax rolls.

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **21st** day of **June**, **2023**, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Amy Newell, Chair

Attest:

_____
Laura R. Taay, Board Secretary

Exhibit "A" to
Resolution 2023-XX
A Resolution of the Board of Directors of the
Pajaro Valley Water Management Agency

Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments and Property-Related Fees and Charges

---

Fiscal Year 2023-2024

General Taxes:	None
Special Taxes:	None
Assessments:	None
Property Related Fees or Charges:	Management Fee: $18 per residential parcel and $20 per commercial parcel

MEMORANDUM

DATE:	June 15, 2023
MEETING OF:	June 21, 2023
TO:	Board of Directors
FROM:	General Manager
RE:	**CONSENT ITEM 9D:** Adopt Resolution 2023-14, Updating the Cash Reserve Policy for the Fiscal Year Ending June 30, 2024

BACKGROUND

In July 2013, the Board adopted *Resolution 2013-05, Adopting a Cash Reserve Policy.* It was recommended at the time that reserves be built gradually as funds become available, while maintaining an appropriate level of services for PV Water functions such as operations, basin management and monitoring, and administration.

Establishment of formal policies to ensure appropriate financial margins for operations, maintenance, and debt service needs is identified by analysts as a management practice that constitutes a positive credit factor. The Cash Reserve Policy states that it will be reviewed annually at budget time to evaluate if funding levels are sufficient and prudent. This year, staff are proposing some minor modifications as indicated in the attached redline draft of the Cash Reserve Policy.

FISCAL IMPACT

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

STAFF RECOMMENDATION

The Board adopt Resolution 2023-14, Updating the Cash Reserve Policy for the Fiscal Year Ending June 30, 2024.

The Administration & Finance Committee reviewed this item on June 13, 2023, and voted in favor of recommending the Board approve the Policy.

ATTACHMENTS

- Resolution 2023-14, Updating the Cash Reserve Policy for the Fiscal Year Ending June 30, 2024

Resolution 2023-14

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

Updating the Cash Reserve Policy for the Fiscal Year Ending June 30, 2024

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

WHEREAS, the Board of Directors has determined that it is prudent to formally articulate a Cash Reserve Policy establishing general guidelines on cash reserves that will help to ensure the Agency's long-term financial and operational stability; and

WHEREAS, the Cash Reserve Policy was adopted in 2013, establishing minimal reserves with the intention of building over time; and

WHEREAS, the Cash Reserve Policy was reviewed and updated annually through Fiscal Year 2022-2023; and

WHEREAS, the Cash Reserve Policy serves as an important management decision-making tool in planning for and evaluating activities or transactions that could have a significant impact on PV Water's finances.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Pajaro Valley Water Management Agency does hereby update the Cash Reserve Policy, attached to this Resolution as Exhibit A and incorporated herein.

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **21st** day of **June 2023** by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Amy Newell, Chair

Attest:

_____
Laura R. Taay, Board Secretary

Pajaro Valley Water Management Agency
Cash Reserve Policy

Introduction

The Pajaro Valley Water Management Agency (PV Water or the Agency) Cash Reserve Policy establishes general guidelines on cash reserves that will help to ensure the Agency's long-term financial and operational stability. In this capacity, the Cash Reserve Policy articulates a comprehensive set of reserves that seek to mitigate operational, capital, and debt service risks PV Water may encounter.

The Cash Reserve Policy is established in the context of PV Water's current and expected capital improvement program and borrowings associated with the Basin Management Plan: Groundwater Sustainability Update 2022 (GSU22). Since reserve targets are based on certain assumptions and estimated costs and risks for PV Water, the Cash Reserve Policy and established reserve levels will be reviewed annually or more often if there is a material change in the risk exposures to PV Water. It is noted that the Cash Reserve Policy is established to provide general guidelines for fiscally responsible cash management. The Cash Reserve Policy is not intended to set strict limits that must be adhered to in a vacuum, nor is it intended to be all-inclusive in the sense that there remain a variety of factors outside the purview of the policy that could materially impact PV Water's financial condition. Certain risks and risk probabilities have been considered to be sufficiently remote or to require a scale of reserves that would be prohibitive as compared to the probability of such an outcome, and this policy does not purport to address such risks. Instead, these guidelines are intended to serve as a management decision-making tool in planning for and evaluating activities or transactions that could have a significant impact on the level of cash on hand.

Categories of Cash Reserves

The Cash Reserve Policy recommends the creation of four separate reserve funds:

- Operation & Maintenance Reserve
- Repair & Replacement Reserve
- Debt Service Reserve
- Rate Stabilization Reserve

Summary of Recommended Reserve Levels

Reserve Category	Recommended Reserve
Operation & Maintenance Reserve	**Start at 30 days of expenditures and build to 180 days**
Repair & Replacement Reserve	**Start at 10% Annual Depreciation and build to 25%**
Debt Service Reserve	**20% for Debt Service obligation that do not have their own reserve**
Rate Stabilization Reserve	**As determined by the Board and management**

Each reserve is summarized below with an explanation as to the methodology that was used to size each reserve.

Operation & Maintenance Reserve

Purpose

The purpose of the Operation & Maintenance Reserve is to provide greater stability in PV Water's annual operations even under unforeseen and changing circumstances as relates to both revenues and expenses. Utilities such as PV Water are subject to a broad array of risks, including but not limited to natural events such as earthquakes and climate change, and malicious events such as cybersecurity attacks, which may vary from small, temporary disruptions of business to substantial disruptions. The intent of the Cash Reserve Policy is to set an overall reserve level that is reasonable, defensible, and consistent with the aggregate risk profile that PV Water faces in effectively managing water supplies in the Pajaro Valley. Considering climate change resiliency is an important aspect of this effort.

Methodology

Many water utilities, which generally operate on a monthly billing cycle, maintain operating reserves at a level of 60 to 180 days of operating expenses. Typically, it is utilities in the most stable operating environments that are able to manage with reserves on the smaller end of this range, while many agencies with significant annual volatility in revenues or expenditures or those undergoing significant expansion have substantially larger operating reserves.

Operation & Maintenance Reserve Policy

PV Water will maintain an Operation & Maintenance Reserve equal to 50% of annual operating and maintenance expenses (see Exhibit A).

Repair & Replacement Reserve

Purpose

PV Water's GSU22 is made up of projects that will increase water supply to the Pajaro Valley and significantly expand PV Water's existing infrastructure. The purpose of the Repair & Replacement Reserve is to fund the unplanned repair or replacement of capital assets, and to allow PV Water to absorb fluctuations in the capital plan without an immediate rate impact to customers.

Methodology

Given the significant capital improvements in which the Agency has invested over the past couple of decades and the sizeable capital plans associated with implementation of the GSU22, the Repair & Replacement Reserve ensures the availability of funds to respond to unexpected needs.

Repair and Replacement Reserve Policy

PV Water will maintain a 25% annual depreciation reserve (see Exhibit A).

Debt Service Reserve

Purpose

The purpose of the Debt Service Reserve is to provide PV Water with funds dedicated to paying the Agency's debt service obligations in the event of a significant, unexpected decrease in operating revenue during which operating funds may be insufficient to meet such obligations.

Methodology

Typical municipal bond covenants require the establishment of a debt service reserve fund in an amount equal to maximum or average annual debt service on the bonds. Such a requirement exists in connection with the Agency's Department of Water Resources promissory note and State Water Resources Control Board Clean Water State Revolving Fund (SRF) Financial Agreement. It would be prudent for PV Water to also set aside reserves in connection with its other debt as these loans are significant.

Debt Service Reserve Policy

PV Water maintains a Debt Service Reserve funded at a level equal to 20% for debt service obligations that do not have their own reserve (see Exhibit A).

Rate Stabilization Fund

Purpose

The Rate Stabilization Fund is established to provide short-term rate stability in case of an unexpected drop in revenue or increase in expenses. Among other things, the rate stabilization reserve affords PV Water with added flexibility in meeting its financial covenants to bondholders in the event of a financial shock to the Agency resulting from disaster or unforeseen financial circumstances.

Methodology

Unlike other reserves, the rate stabilization reserve is typically not a percentage or ratio, but rather a fixed amount. The funding of such a reserve is highly dependent upon the expected variability in PV Water's revenue stream, budgeted expenditures, political matters, legal matters and the level of total annual debt service, among other factors.

Rate Stabilization Fund Policy

PV Water maintains a Rate Stabilization fund reserve as determined by management and the Board (see Exhibit A).

Annual Review Process

PV Water reviews and evaluates reserve funding levels annually. Since reserve targets are based on certain estimates, assumptions, and risk probabilities, the Cash Reserve Policy will be revisited more frequently if there is a change in PV Water's operations, capital program, or debt service obligations that warrant review of these policies.

Pajaro Valley Water Management Agency
Cash Reserve Policy
Exhibit "A"
June 2023 Update

Operation & Maintenance Reserve	**FY 19/20**	**FY 20/21**	**FY 21/22**	**FY 22/23**	**FY 23/24**
Projected Operating Expenditures ($MM)	7.29	7.43	8.04	8.92	9.45
Projected Reserve Amount ($KK)	3,644.46	3,713.93	4,017.71	4,461.61	4,722.83

Repair & Replacement Reserve	**FY 19/20**	**FY 20/21**	**FY 21/22**	**FY 22/23**	**FY 23/24**
Projected Annual Depreciation ($MM)	2.60	2.65	2.59	2.98	3.42
Projected Reserve Amount ($KK)	649.67	661.58	647.88	744.46	855.58

Debt Service Reserve	**FY 19/20**	**FY 20/21**	**FY 21/22**	**FY 22/23**	**FY 23/24**
Projected Debt Service Payments ($MM)	3.36	3.36	3.36	3.42	3.98
Restricted Funds for Debt Covenants ($KK)	253.75	253.85	253.94	329.30	333.90
Projected Reserve Amount ($KK)	620.95	621.53	620.29	619.03	729.21

Rate Stabilization	**FY 19/20**	**FY 20/21**	**FY 21/22**	**FY 22/23**	**FY 23/24**
Projected Reserve Amount ($KK)	500.00	500.00	500.00	500.00	500.00

Total Cash Reserve ($MM)	**5.42**	**5.50**	**5.79**	**6.33**	**6.81**

Pajaro Valley Water Management Agency
Cash Reserve Policy

Introduction

The Pajaro Valley Water Management Agency (PV Water or the Agency) Cash Reserve Policy establishes general guidelines on cash reserves that will help to ensure the Agency's long-term financial and operational stability. In this capacity, the Cash Reserve Policy articulates a comprehensive set of reserves that seek to mitigate operational, capital, and debt service risks PV Water may encounter.

The Cash Reserve Policy is established in the context of PV Water's current and expected capital improvement program and borrowings associated with the Basin Management Plan ~~(BMP)~~: Groundwater Sustainability Update 2022 (GSU22). Since reserve targets are based on certain assumptions and estimated costs and risks for PV Water, the Cash Reserve Policy and established reserve levels will be reviewed annually or more often if there is a material change in the risk exposures to PV Water. It is noted that the Cash Reserve Policy is established to provide general guidelines for fiscally responsible cash management. The Cash Reserve Policy is not intended to set strict limits that must be adhered to in a vacuum, nor is it intended to be all-inclusive in the sense that there remain a variety of factors outside the purview of the policy that could materially impact PV Water's financial condition. Certain risks and risk probabilities have been considered to be sufficiently remote or to require a scale of reserves that would be prohibitive as compared to the probability of such an outcome, and this policy does not purport to address such risks. Instead, these guidelines are intended to serve as a management decision-making tool in planning for and evaluating activities or transactions that could have a significant impact on the level of cash on hand.

Categories of Cash Reserves

The Cash Reserve Policy recommends the creation of four separate reserve funds:

- Operation & Maintenance Reserve
- Repair & Replacement Reserve
- Debt Service Reserve
- Rate Stabilization Reserve

Summary of Recommended Reserve Levels

Reserve Category	Recommended Reserve
Operation & Maintenance Reserve	**Start at 30 days of expenditures and build to 180 days**
Repair & Replacement Reserve	**Start at 10% Annual Depreciation and build to 25%**
Debt Service Reserve	**20% for Debt Service obligation that do not have their own reserve**
Rate Stabilization Reserve	**As determined by the Board and management**

Each reserve is summarized below with an explanation as to the methodology that was used to size each reserve.

Operation & Maintenance Reserve

Purpose

The purpose of the Operation & Maintenance Reserve is to provide greater stability in PV Water's annual operations even under unforeseen and changing circumstances as relates to both revenues and expenses. Utilities such as PV Water are subject to a broad array of risks, including but not limited to natural events such as earthquakes and climate change, and malicious events such as cybersecurity attacks, which may vary from small, temporary disruptions of business to substantial disruptions. The intent of the Cash Reserve Policy is to set an overall reserve level that is reasonable, defensible and consistent with the aggregate risk profile that PV Water faces in effectively managing water supplies in the Pajaro Valley. Considering climate change resiliency is an important aspect of this effort.

Methodology

Many water utilities, which generally operate on a monthly billing cycle, maintain operating reserves at a level of 60 to 180 days of operating expenses. Typically, it is utilities in the most stable operating environments that are able to manage with reserves on the smaller end of this range, while many agencies with significant annual volatility in revenues or expenditures or those undergoing significant expansion have substantially larger operating reserves.

Operation & Maintenance Reserve Policy

PV Water will maintain an Operation & Maintenance Reserve equal to ~~180 days~~50% ~~-~~of annual operating and maintenance expenses~~.~~
(~~S~~see Exhibit A).

Repair & Replacement Reserve

Purpose

PV Water's ~~BMP~~ GSU22 is made up of projects that will increase water supply to the Pajaro Valley and significantly expand PV Water's existing infrastructure. The purpose of the Repair & Replacement Reserve is to fund the unplanned repair or replacement of capital assets, and to allow PV Water to absorb fluctuations in the capital plan without an immediate rate impact to customers.

Methodology

Given the significant capital improvements in which the Agency has invested over the past couple of decades and the sizeable capital plans associated with implementation of the ~~BMP~~GSU22, the Repair & Replacement Reserve ensures the availability of funds to respond to unexpected needs.

Repair and Replacement Reserve Policy

PV Water will maintain a 25% annual depreciation reserve (see Exhibit A).

Debt Service Reserve

Purpose

The purpose of the Debt Service Reserve is to provide PV Water with funds dedicated to paying the Agency's debt service obligations in the event of a significant, unexpected decrease in operating revenue during which operating funds may be insufficient to meet such obligations.

Methodology

Typical municipal bond covenants require the establishment of a debt service reserve fund in an amount equal to maximum or average annual debt service on the bonds. Such a requirement exists in connection with the Agency's Department of Water Resources promissory note and State Water Resources Control Board Clean Water State Revolving Fund (SRF) Financial Agreement. It would be prudent for PV Water to also set aside reserves in connection with its other debt as these loans are significant.

Debt Service Reserve Policy

PV Water maintains a Debt Service Reserve funded at a level equal to 20% for debt service obligations that do not have their own reserve (see Exhibit A).

Rate Stabilization Fund

Purpose

The Rate Stabilization Fund is established to provide short-term rate stability in case of an unexpected drop in revenue or increase in expenses. Among other things, the rate stabilization reserve affords PV Water with added flexibility in meeting its financial covenants to bondholders in the event of a financial shock to the Agency resulting from disaster or unforeseen financial circumstances.

Methodology

Unlike other reserves, the rate stabilization reserve is typically not a percentage or ratio, but rather a fixed amount. The funding of such a reserve is highly dependent upon the expected variability in PV Water's revenue stream, budgeted expenditures, political matters, legal matters and the level of total annual debt service, among other factors.

Rate Stabilization Fund Policy

PV Water maintains a Rate Stabilization fund reserve as determined by management and the Board (see Exhibit A).

Annual Review Process

PV Water reviews and evaluates reserve funding levels annually. Since reserve targets are based on certain estimates, assumptions, and risk probabilities, the Cash Reserve Policy will be revisited more frequently if there is a change in PV Water's operations, capital program, or debt service obligations that warrant review of these policies.

Pajaro Valley Water Management Agency
Cash Reserve Policy
Exhibit "A"
June 2023 Update

Operation & Maintenance Reserve	**FY 19/20**	**FY 20/21**	**FY 21/22**	**FY 22/23**	**FY 23/24**
Projected Operating Expenditures ($MM)	7.29	7.43	8.04	8.92	9.45
Projected Reserve Amount ($KK)	3,644.46	3,713.93	4,017.71	4,461.61	4,722.83

Repair & Replacement Reserve	**FY 19/20**	**FY 20/21**	**FY 21/22**	**FY 22/23**	**FY 23/24**
Projected Annual Depreciation ($MM)	2.60	2.65	2.59	2.98	3.42
Projected Reserve Amount ($KK)	649.67	661.58	647.88	744.46	855.58

Debt Service Reserve	**FY 19/20**	**FY 20/21**	**FY 21/22**	**FY 22/23**	**FY 23/24**
Projected Debt Service Payments ($MM)	3.36	3.36	3.36	3.42	3.98
Restricted Funds for Debt Covenants ($KK)	253.75	253.85	253.94	329.30	333.90
Projected Reserve Amount ($KK)	620.95	621.53	620.29	619.03	729.21

Rate Stabilization	**FY 19/20**	**FY 20/21**	**FY 21/22**	**FY 22/23**	**FY 23/24**
Projected Reserve Amount ($KK)	500.00	500.00	500.00	500.00	500.00

Total Cash Reserve ($MM)	**5.42**	**5.50**	**5.79**	**6.33**	**6.81**

MEMORANDUM

DATE: June 15, 2023
MEETING OF: June 21, 2023
TO: Board of Directors
FROM: General Manager
RE: **CONSENT ITEM 9E:** Adopt Resolution 2023-15, Updating Statement of Investment Policy

---

BACKGROUND

The Investment Policy (Policy) is an important tool which establishes guidelines for PV Water's investments. The Policy defines general investment goals and objectives. The primary objectives of the Policy are safety of principal, liquidity, and return on investment. The Board of Directors adopted the Policy on July 3, 2002, and the Board last updated it on July 17, 2013. The Administration and Finance Committee, and the Board, has reviewed the Policy periodically thereafter. Staff reviewed the Policy with PV Water's Financial Advisors this spring, and then discussed the Policy, and the suggested revisions, with the Administration and Finance Committee on June 13, 2023.

FISCAL IMPACT

This Policy provides direction regarding PV Water investments.

STAFF RECOMMENDATION

The Board adopt Resolution 2023-15, Updating Statement of Investment Policy.

The Administration & Finance Committee reviewed this item on June 13, 2023, and voted in favor of recommending the Board approve the Policy.

ATTACHMENT

- Resolution 2023-15, Updating Statement of Investment Policy

Resolution 2023-15

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

Updating Statement of Investment Policy

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

WHEREAS, the PV Water Board of Directors first adopted an Investment Policy on July 3, 2002 under Resolution 2002-19, and most recently updated the Investment Policy on July 17, 2013, under Resolution 2013-07; and

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

WHEREAS, PV Water's Board of Directors has the authority to invest any portion of funds in an investment fund, or excess cash flow in its treasury, not required for the immediate necessities of the Agency, which is deemed wise or expedient according to the provisions of California Government Code sections 53601 and 53635; and

WHEREAS, PV Water's Treasurer or Finance and Administrative Services Manager shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting; (CGC §53646(a)); and

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

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

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the 21st day of June, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Amy Newell, Chair

Attest:

_____
Laura R. Taay, Secretary

PAJARO VALLEY WATER MANAGEMENT AGENCY

Statement of Investment Policy

Presented to the Board of Directors on June 21, 2023

The Board of Directors of the Agency has the authority to invest any portion of funds in an investment fund, or excess cash flow in its treasury, not required for the immediate necessities of the Agency, which is deemed wise or expedient according to Government Code Sections 53601 and 53635. The authority to invest public funds is expressly delegated to the Board of Directors for subsequent re-delegation to the Treasurer. Investments by the Treasurer are limited to those instruments specified by the Board.

1. Scope

This investment policy applies to all financial assets of the Pajaro Valley Water Management Agency. These funds are accounted for in the annual Agency audit and include: All funds.

Funds not included in the policy: none.

2. Basic Policy and Statement of Objectives

As specified in California Government Code §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

a) Safety of Principal - Safety of principal is the foremost objective of the investment program. Investments of the Pajaro Valley Water Management Agency shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b) Liquidity - Investments shall be made whose maturity date is compatible with cash flow requirements and which will permit easy and rapid conversion into cash without substantial loss of value, and which will enable the Agency to meet all operating requirements which might be reasonably anticipated.

c) Return on Investment - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.

3. Prudent Person

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code §53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. Maturity Limitations

a) The Treasurer is authorized to invest Agency funds for terms set forth below except bond proceeds may be invested for a term no longer then the final maturity of the bond.

b) For certain instruments, the term of the investment is limited by market convention or as otherwise prescribed herein.

5. Time Deposits

The Treasurer may invest in certificates of deposit issued by bank or savings association or federal association chartered by the United States or the State of California.

The following criteria will be used in evaluating financial institutions and form of collateral to determine eligibility for deposits:

a) The terms of investment shall not exceed five years.

b) The financial institution must have been in existence for at least five years.

c) Eligibility for deposits shall be limited to those financial institutions, which maintain a rating equivalent to the highest letter and number rating as provided by a nationally recognized statistical rating organization (NRSRO)

d) The deposit shall not exceed the shareholders' equity of any depository bank. For the purposes of this constraint, shareholders' equity shall be deemed to include capital notes and debentures. (Government Code Section 53638(a))

e) The deposit shall not exceed the total net worth of any depository savings association or federal association. Deposits not exceeding a total of $500,000 may be made to a savings association or federal association without regard to the net worth of that depository, if such deposits are insured or secured as required by law (Government Code Section 53638 (b)).

f) The deposit to the share accounts of any regularly chartered credit union shall not exceed the total unimpaired capital and surplus of the credit union, as defined by rule of the Commissioner of Financial Institutions, except that the deposit to any credit union share account in an amount not exceeding $500,000 may be made if the share accounts of that credit union are insured or guaranteed pursuant to Section 14858 of the Financial Code or are secured as required by law. The deposit in investment certificates of a federally insured industrial loan company shall not exceed the total of the unimpaired capital and surplus of the insured industrial loan company. (Government Code Section 53638 (d).

g) To secure such deposits, the financial institution shall maintain in the collateral pool, marketable securities having a market value of at least 10 percent in excess of the total amount deposited. (Government Code Section 53652(a))

h) First trust deed real estate mortgages may be accepted as collateral providing they have a market value of at least 100 percent in excess of total amount deposited and comply with California Government Code Section 53651.2.

i) When other factors are equal, appropriate consideration will be given to a financial institution that contributes service or offers significant assistance to the Agency.

6. Local Agency Investment Fund Deposits

Deposits for the purpose of investment in the Local Agency Investment Fund of the State Treasury may be made up to the maximum amount permitted by State Treasury policy.

7. Negotiable Certificates of Deposit

The Treasurer may invest in negotiable certificates of deposit as follows:

a) Investment in negotiable certificates of deposit shall not exceed 30 percent of the total portfolio in effect immediately after any such investment is made.

b) To be eligible, a certificate of deposit must be issued by a nationally or state chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial code), a state or federal credit union, or by a federally licensed branch of a foreign bank as well as any state licensed foreign bank. (Government Code Section 53601(i).)

c) Eligibility for deposits shall be limited to those financial institutions, which maintain a rating equivalent to the highest ranking or the highest letter and

number rating as provided by a nationally recognized statistical rating organization (NRSRO).

d) The investment shall not exceed the shareholders' equity of any depository bank. For the purposes of this constraint, shareholders' equity shall be deemed to include capital notes and debentures. (Government Code Section 53638(a))

e) The investment shall not exceed 25 percent of the total net worth of any depository savings association or federal association.

f) The total investment in an eligible financial institution shall not exceed 25 percent of the total portfolio available for investment in this investment category.

g) The maximum maturity shall be limited to 5 years.

j) All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third-party trustee and valued on a monthly basis. The percentage of collateralization on repurchases and reverse repurchase agreements will adhere to the amount required under California Government Code §53601(j)(2).

8. Bankers' Acceptances

The Treasurer may invest in bankers' acceptances as follows:

a) Investment in prime bankers' acceptance shall not exceed 40 percent of the portfolio in effect immediately after any such investment is made.

b) Eligibility shall be limited to those financial institutions which maintain a rating equivalent to the highest letter and number rating as provided by a nationally recognized statistical rating organization (NRSRO) and "III/III" for foreign banks if a rating service is utilized.

c) No more than 30 percent of this category of investments may be invested in any one commercial bank's acceptances.

d) The maximum maturity shall be limited to 180 days. (Government Code Section 53601 (g))

9. Commercial Paper

The Treasurer may invest in commercial paper as follows:

a) Only commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided by the highest letter and number rating as provided by a nationally recognized statistical rating organization (NRSRO) may be purchased. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2) (Government Code Section 53601 (h)):

   (1) The entity meets the following criteria:

      (A) Is organized and operating within the United States as a general corporation;

      (B) Has total assets in excess of $500,000,000;

      (C) Has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO.

   (2) The entity meets the following criteria:

      (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company;

      (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond;

      (C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.

b) Investments in commercial paper shall not exceed 20 percent of the portfolio.

c) No more than 10 percent of the outstanding commercial paper of an issuing corporation may be purchased. (Government Code Sections 53601 (h) and 53635 (a)(1))

d) The total investment in an eligible financial institution shall not exceed 10 percent of the total portfolio available for investment in this investment category.

e) The term shall not exceed 270 days. (Government Code Section 53601 (h))

10. U.S. Government and Agencies

The Treasurer may invest in debts issued by governmental agencies as follows:

a) The concentration of investments in federal agency obligations shall not exceed 50 percent of all investments in effect immediately after any such investment is made.

b) Investments in U.S. Treasury obligations shall not be subject to any limitations.

c) Investments in direct obligations of the U.S. Government shall not be subject to any limitations.

11. Bond Funds

a) Notwithstanding anything to the contrary contained in these Guidelines, moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of the Agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolutions, indenture, or agreement of the Agency providing for the issuance, all in accordance with Section 53601 of the Government Code.

b) Investments may be made of bond proceeds and surplus funds in collateralized guaranteed investment agreements or contracts, fully secured by government securities or by obligations guaranteed by the U.S. Government provided, however, that (a) the Agency or its agent shall have received a perfected first security interest in the obligation securing such investment agreement or contract, (b) the Agency or its agent shall hold the obligations securing such investment agreements or contracts, (c) the Agency or its agent shall hold such obligations free and clear of the claims of third parties, and, (d) the investment agreements or contracts are collateralized at 104 percent by the government securities or obligations guaranteed by the U.S. Government and market valued at least monthly.

12. Exchange of Securities

An exchange of securities is a shift of assets from one instrument to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. In no instance shall an exchange be used for speculative purposes. Any such exchange shall be simultaneous (same day execution of sale and purchase), and shall require the approval of the Treasurer.

13. Safekeeping

a) All security transactions entered into by the Pajaro Valley Water Management Agency shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the Pajaro Valley Water Management Agency by book entry, physical delivery or by third party custodial agreement as required by California Government Code §53601.

b) All financial institutions shall be instructed to mail confirmation and safekeeping receipts directly to the Finance Officer for audit.

14. Portfolio Adjustments

Any reference to portfolio shall mean the total of the Agency's cash and securities under management by the Treasurer.

a) Should any investment percentage-of-portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses.

b) When no loss is indicated, the Treasurer shall consider restructuring the portfolio basing his decision in part on the expected length of time the portfolio will be imbalanced.

15. Purchase and Sales of Securities

a) Information concerning investment opportunities and market developments may be gained by maintaining contact with the financial community together with information provided by the Agency's Board approved financial consultant.

b) The purchase of any investment other than those purchased directly from the issuer shall be, to the extent possible, from a firm designated as a Primary Dealer by the Federal Reserve Bank of New York.

c) When practicable, the Treasurer shall solicit more than one quotation on each trade.

16. Reporting Requirements

In accordance with California Government Code §53646(b)(1), the Finance Officer shall submit to each member of the Board of Directors a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Pajaro Valley Water Management Agency by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in California Government Code §53646(e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Pajaro Valley Water Management Agency will meet its expenditure obligations for the next six months as required by California Government Code §53646 (b)(2) and (3) respectively. The Finance Officer shall maintain a complete and timely record of all investment transactions.

17. Prohibited Investments

Under the provisions of California Government Code §53601.6, the Pajaro Valley Water Management Agency shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

18. Investment Policy Administration

The Treasurer may, at any time, further restrict the securities approved for investment as deemed appropriate. This policy shall be reviewed at least annually.

19. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

***

PAJARO VALLEY WATER MANAGEMENT AGENCY

Statement of Investment Policy

Presented to the Board of Directors on June 21, 2023

The Board of Directors of the Agency has the authority to invest any portion of funds in an investment fund, or excess cash flow in its treasury, not required for the immediate necessities of the Agency, which is deemed wise or expedient according to Government Code Sections 53601 and 53635. The authority to invest public funds is expressly delegated to the Board of Directors for subsequent re-delegation to the Treasurer. Investments by the Treasurer are limited to those instruments specified by the Board.

1. Scope

This investment policy applies to all financial assets of the Pajaro Valley Water Management Agency. These funds are accounted for in the annual Agency audit and include: All funds.

Funds not included in the policy ~~include~~: none.

2. Basic Policy and Statement of Objectives

As specified in California Government Code §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

a) Safety of Principal - Safety of principal is the foremost objective of the investment program. Investments of the Pajaro Valley Water Management Agency shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b) Liquidity - Investments shall be made whose maturity date is compatible with cash flow requirements and which will permit easy and rapid conversion into cash without substantial loss of value, and which will enable the Agency to meet all operating requirements which might be reasonably anticipated.

c) Return on Investment - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.

3. Prudent Person

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code §53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. Maturity Limitations

a) The Treasurer is authorized to invest Agency funds for terms set forth below except bond proceeds may be invested for a term no longer then the final maturity of the bond~~for five years~~.

b) For certain instruments, the term of the investment is limited by market convention or as otherwise prescribed herein.

5. Time Deposits

The Treasurer may invest in certificates of deposit issued by bank or savings association or federal association chartered by the United States or the State of California.

The following criteria will be used in evaluating financial institutions and form of collateral to determine eligibility for deposits:

a) The terms of investment shall not exceed five years.

b) The financial institution must have been in existence for at least five years.

c) Eligibility for deposits shall be limited to those financial institutions, which maintain a rating equivalent to the highest letter and number rating as provided by a nationally recognized statistical rating organization (NRSRO)

d) The deposit shall not exceed the shareholders' equity of any depository bank. For the purposes of this constraint, shareholders' equity shall be deemed to include capital notes and debentures. (Government Code Section 53638(a))

e) The deposit shall not exceed the total net worth of any depository savings association or federal association. Deposits not exceeding a total of $500,000 may be made to a savings association or federal association without regard to the net worth of that depository, if such deposits are insured or secured as required by law (Government Code Section 53638 (b)).

f) The deposit to the share accounts of any regularly chartered credit union shall not exceed the total unimpaired capital and surplus of the credit union, as defined by rule of the Commissioner of Financial Institutions, except that the deposit to any credit union share account in an amount not exceeding $500,000 may be made if the share accounts of that credit union are insured or guaranteed pursuant to Section 14858 of the Financial Code or are secured as required by law. The deposit in investment certificates of a federally insured industrial loan company shall not exceed the total of the unimpaired capital and surplus of the insured industrial loan company. (Government Code Section 53638 (d).

g) To secure such deposits, the financial institution shall maintain in the collateral pool, marketable securities having a market value of at least 10 percent in excess of the total amount deposited. (Government Code Section 53652(a))

h) First trust deed real estate mortgages may be accepted as collateral providing they have a market value of at least ~~50~~ 100 percent in excess of total amount deposited and comply with California Government Code Section 53651.2.

i) When other factors are equal, appropriate consideration will be given to a financial institution that contributes service or offers significant assistance to the Agency.

6. Local Agency Investment Fund Deposits

Deposits for the purpose of investment in the Local Agency Investment Fund of the State Treasury may be made up to the maximum amount permitted by State Treasury policy.

7. Negotiable Certificates of Deposit

The Treasurer may invest in negotiable certificates of deposit as follows:

a) Investment in negotiable certificates of deposit shall not exceed 30 percent of the total portfolio in effect immediately after any such investment is made.

b) To be eligible, a certificate of deposit must be issued by a nationally or state chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial code), a state or federal credit union, or by a federally licensed branch of a foreign bank as well as any state licensed foreign bank. (Government Code Section 53601(i).)

c) Eligibility for deposits shall be limited to those financial institutions, which maintain a rating equivalent to the highest ranking or the highest letter and

number rating as provided by a nationally recognized statistical rating organization (NRSRO).

d) The investment shall not exceed the shareholders' equity of any depository bank. For the purposes of this constraint, shareholders' equity shall be deemed to include capital notes and debentures. (Government Code Section 53638(a))

e) The investment shall not exceed 25 percent of the total net worth of any depository savings association or federal association.

f) The total investment in an eligible financial institution shall not exceed 25 percent of the total portfolio available for investment in this investment category.

g) The maximum maturity shall be limited to 5 years.

j) All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third--party trustee and valued on a monthly basis. The percentage of collateralization on repurchases and reverse repurchase agreements will adhere to the amount required under California Government Code §53601(j)(2).

8. Bankers' Acceptances

The Treasurer may invest in bankers' acceptances as follows:

a) Investment in prime bankers' acceptance shall not exceed 40 percent of the portfolio in effect immediately after any such investment is made.

b) Eligibility shall be limited to those financial institutions which maintain a rating equivalent to the highest letter and number rating as provided by a nationally recognized statistical rating organization (NRSRO) and "III/III" for foreign banks if a rating service is utilized.

c) No more than 30 percent of this category of investments may be invested in any one commercial bank's acceptances.

d) The maximum maturity shall be limited to 180 days. (Government Code Section 53601 (g))

9. Commercial Paper

The Treasurer may invest in commercial paper as follows:

a) Only commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided by the highest letter and number rating as provided by a nationally recognized statistical rating organization (NRSRO) may be purchased. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2) (Government Code Section 53601 (h)):

   (1) The entity meets the following criteria:

      (A) Is organized and operating within the United States as a general corporation;

      (B) Has total assets in excess of $500,000,000;

      (C) Has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO.

   (2) The entity meets the following criteria:

      (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company;

      (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond;

      (C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.

b) Investments in commercial paper shall not exceed 20 percent of the portfolio.

c) No more than 10 percent of the outstanding commercial paper of an issuing corporation may be purchased. (Government Code Sections 53601 (h) and 53635 (a)(1))

d) The total investment in an eligible financial institution shall not exceed 10 percent of the total portfolio available for investment in this investment category.

e) The term shall not exceed 270 days. (Government Code Section 53601 (h))

10. U.S. Government and Agencies

The Treasurer may invest in debts issued by governmental agencies as follows:

a) The concentration of investments in federal agency obligations shall not exceed 50 percent of all investments in effect immediately after any such investment is made.

b) Investments in U.S. Treasury obligations shall not be subject to any limitations.

c) Investments in direct obligations of the U.S. Government shall not be subject to any limitations.

11. Bond Funds

a) Notwithstanding anything to the contrary contained in these Guidelines, moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of the Agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolutions, indenture, or agreement of the Agency providing for the issuance, all in accordance with Section 53601 of the Government Code.

b) Investments may be made of bond proceeds and surplus funds in collateralized guaranteed investment agreements or contracts, fully secured by government securities or by obligations guaranteed by the U.S. Government provided, however, that (a) the Agency or its agent shall have received a perfected first security interest in the obligation securing such investment agreement or contract, (b) the Agency or its agent shall hold the obligations securing such investment agreements or contracts, (c) the Agency or its agent shall hold such obligations free and clear of the claims of third parties, and, (d) the investment agreements or contracts are collateralized at 104 percent by the government securities or obligations guaranteed by the U.S. Government and market valued at least monthly.

12. Exchange of Securities

An exchange of securities is a shift of assets from one instrument to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. In no instance shall an exchange be used for speculative purposes. Any such exchange shall be simultaneous (same day execution of sale and purchase), and shall require the approval of the Treasurer.

13. Safekeeping

a) All security transactions entered into by the Pajaro Valley Water Management Agency shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the Pajaro Valley Water Management Agency by book entry, physical delivery or by third party custodial agreement as required by California Government Code §53601.

b) All financial institutions shall be instructed to mail confirmation and safekeeping receipts directly to the Finance Officer for audit.

14. Portfolio Adjustments

Any reference to portfolio shall mean the total of the Agency's cash and securities under management by the Treasurer.

a) Should any investment percentage-of-portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses.

b) When no loss is indicated, the Treasurer shall consider restructuring the portfolio basing his decision in part on the expected length of time the portfolio will be imbalanced.

15. Purchase and Sales of Securities

a) Information concerning investment opportunities and market developments may be gained by maintaining contact with the financial community together with information provided by the Agency's Board approved financial consultant.

b) The purchase of any investment other than those purchased directly from the issuer shall be, to the extent possible, from a firm designated as a Primary Dealer by the Federal Reserve Bank of New York.

c) When practicable, the Treasurer shall solicit more than one quotation on each trade.

16. Reporting Requirements

In accordance with California Government Code §53646(b)(1), the Finance Officer shall submit to each member of the Board of Directors a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Pajaro Valley Water Management Agency by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in California Government Code §53646(e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Pajaro Valley Water Management Agency will meet its expenditure obligations for the next six months as required by California Government Code §53646 (b)(2) and (3) respectively. The Finance Officer shall maintain a complete and timely record of all investment transactions.

17. Prohibited Investments

Under the provisions of California Government Code §53601.6, the Pajaro Valley Water Management Agency shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

18. Investment Policy Administration

The Treasurer may, at any time, further restrict the securities approved for investment as deemed appropriate. This policy shall be reviewed at least annually.

19. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

***

MEMORANDUM

DATE: June 15, 2023
MEETING OF: June 21, 2023
TO: Board of Directors
FROM: General Manager
RE: **CONSENT AGENDA ITEM 9F:** Approve Agreement with ZAG Technical Services, Inc., for Information Technology Professional Support Services from July 1, 2023, through June 30, 2025, in an amount not to exceed $150,000

DISCUSSION

Information Technology (IT) is the backbone of PV Water. IT is responsible for creating, editing, storing, backing up, and protecting data. Maintaining a secure, efficient, and reliable IT program is of the utmost importance to PV Water's operations. ZAG Technical Services (ZAG) has been providing support to keep the PV Water's IT systems (firewalls, servers, computers, remote connections, etc.) running securely and efficiently since 2004.

ZAG's staff monitor and patch computers and servers, maintain Microsoft 365 accounts, manage backup solutions, monitor PV Water's Firewall, conduct regular security tests, and more. In additional to standard IT maintenance items, staff have recently worked with ZAG to prepare and test a Disaster Response and Recovery Plan, initiate malicious email / phishing scam testing and training, and migrate to Microsoft 365. The 24/7 service provided by ZAG has been excellent.

FISCAL IMPACT

Staff anticipate that support services will not exceed $150,000 between July 1, 2023 and June 30, 2025.

STAFF RECOMMENDATION

The Board approve the agreement with ZAG Technical Services, Inc., in substantially the same form as the version attached, for Information Technology professional support services from July 1, 2023 through June 30, 2025, in an amount not to exceed $150,000.

The Administration and Finance Committee reviewed and discussed this item on June 13, 2023. The Committee voted in favor of recommending the approval to the Board.

ATTACHMENT

- Agreement with ZAG Technical Services, Inc.

PAJARO VALLEY WATER MANAGEMENT AGENCY
36 Brennan Street
Watsonville, CA 95076
Tel (831) 722-9292 Fax (831) 722-3139

CONSULTANT AGREEMENT

To:	**ZAG Technical Services, Inc.**	**Date**:	**June 22, 2023**
	645 River Oaks Parkway		
	San Jose, CA 95134		
Tel:	**408-383-2000**		
Fax:			

Contract Amount:	**$150,000**	**Start Date:**	**July 1, 2023**	**End Date:**	**June 30, 2025**

Accepted:	**Pajaro Valley Water Management Agency**	**Consultant:**	**ZAG Technical Services, Inc.**
		FEIN:	**77-0492384**
By:		**By:**	
	Brian Lockwood		**Greg Gatzke**
Title	**General Manager**	**Title**	**Chief Executive Officer**
	Other authorized representative(s):		**Other authorized representative(s):**

CONSULTANT AGREEMENT

This Agreement is entered into and effective this **1st** day of **July 2023**, by and between the Pajaro Valley Water Management Agency ("PV Water"), and ZAG Technical Services, Inc. ("Consultant") referred to herein individually as a "Party" and collectively as "the Parties."

WHEREAS, PV Water desires to retain Consultant to provide various computer and server managed services and support including, but not limited to, network monitoring, anti-virus management, systems administrations and onsite project work, as further described in Addendum "A" and attached hereto and made a part hereof ("Project"); and,

WHEREAS, Consultant represents that it has the expertise, means, and ability to perform said duties as outlined within its proposal received by PV Water on May 03, 2023 (Addendum A);

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

1. Term of Agreement. This Agreement shall terminate on June 30, 2025 unless terminated sooner pursuant to the terms of this Agreement. The Parties' authorized representatives (defined below) shall have the authority to extend this term by written amendment to this Agreement.

2. Work. Consultant will furnish services as defined and described in the proposal attached hereto as Addendum A, and incorporated herein. All work performed by Consultant, or under Consultant's direction, shall be rendered in accordance with the generally accepted practices, and to the standards of, Consultant's profession. Consultant represents and warrants that Consultant: (i) is fully experienced and properly qualified to perform the class of work and service provided for herein, (ii) has the financial capability required for the performance of the work and services, and (iii) is properly equipped and organized to perform the work and services in a competent, timely, and proper manner, in accordance with the requirements of this Agreement.

   2.1 Change in Work. Any change in the scope of the professional services to be done, method of performance, nature of materials or price thereof, or to any other matter materially affecting the performance or nature of the professional services will not be paid for or accepted unless such change, addition or deletion be approved in advance, in writing by a supplemental agreement by the Parties. PV Water may order changes in the scope or character of services in writing, including decreasing the amount of Consultant's services described herein. In the event that the work is decreased, Consultant is entitled to full compensation for services performed and expenses incurred prior to the receipt of notice of change pursuant to Section 4 of this Agreement.

3. Authorized Representatives. The authorized representatives shall be individuals with the necessary authority to direct technical and professional work within the scope of this

Agreement and shall serve as the principal point of contact for the Project for each respective party.

3.1 PV Water. PV Water designates the following individual(s) as PV Water's authorized representative(s): Brian Lockwood. Only PV Water's authorized representative(s) is authorized to approve changes to this Agreement on behalf of PV Water.

3.2 Consultant. Consultant designates the following individual(s) as Consultant's authorized representative(s): _____. Only Consultant's authorized representative(s) is authorized to approve changes to this Agreement on behalf of Consultant.

4. Compensation. PV Water will pay Consultant, as full compensation for full performance of the services described in this Agreement, a fee not to exceed **One Hundred Fifty Thousand Dollars ($150,000).** The fee for services will be based on the Fee Schedule included in Addendum A of this Agreement.

4.1 Method of Payment. Consultant shall prepare and submit to PV Water detailed weekly invoices for fees and costs incurred in the performance of the services hereunder during the previous billing period. The invoice shall describe the services rendered and shall be based on all labor and direct expense charges made for work performed hereunder. Labor charges shall be in accordance with the Fee Schedule found in Addendum A of this Agreement. PV Water shall pay the amount of each itemized invoice within thirty (30) days after the receipt of the invoice, subject to a finding by PV Water that work performed has been satisfactory and that payment is for the work specified in Addendum A and does not exceed the maximum amount specified above.

4.2 Direct Expenses. Direct expenses are those outside costs and rates identified in Addendum A incurred directly for the work performed and substantiated with invoices for the charges. Consultant will not be reimbursed for any costs or expenses at any rates that exceed the rates set forth in the Fee Schedule found in Addendum A. If Consultant must incur other costs which are not specifically covered by the terms of this Agreement, but which are necessary for the performance of Consultant's duties, PV Water may approve payment for said costs if authorized in writing by PV Water in advance.

5. Independent Contractor. Consultant represents that it has or will secure at its own expense all personnel, materials, and related services required to perform the services under this Agreement. Consultant (and its employees, agents, representatives, and subconsultant(s)), in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of PV Water. Consultant, not PV Water, shall have exclusive and complete control over its employees and subcontractors, and shall determine the method of performing the services hereunder. PV Water, however, retains the right to require that work performed by Consultant meet specific standards consistent with the requirements of this Agreement without regard to the manner and means of accomplishment thereof.

6. Conflict of Interest. Consultant owes PV Water a duty of undivided loyalty in performing the work and services under this Agreement. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Consultant acknowledges that it is aware of and agrees to comply with the provisions of the Political Reform Act, Section 1090 of the Government Code, and the PV Water conflict of interest code. Consultant will immediately advise Agency counsel if Consultant learns of a conflicting financial interest of Consultant's during the term of this Agreement.

7. Indemnification.

For General Services: To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless PV Water, its directors, officers and employees from and against any and all claims, demands, actions, damages, or expenses, (including attorney's fees and costs) arising from the acts or omissions of Consultant's employees or agents in any way related to the obligations or in the performance of services under this Agreement, except for design professional services as set forth in Civil Code § 2782.8, and except where caused by the sole or active negligence, or willful misconduct of PV Water.

For Design Professional Services under Civil Code §2782.8:
To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless PV Water, its directors, officers and employees from and against any and all claims, demands, actions, damages, or expenses, (including attorney's fees and costs) arising from the negligence, recklessness, or willful misconduct of the Consultant, Consultant's employees or agents in any way related to the obligations or in the performance of design professional services under this Agreement as set forth in Civil Code, except where caused by the sole or active negligence, or willful misconduct of PV Water. The costs to defend charged to the Consultant relating to design professional services shall not exceed the Consultant's proportionate percentage of fault per Civil Code §2782.8.

8. Insurance. Consultant agrees to procure and maintain the insurance coverages and limits as required by PV Water prior to the commencement of work, as specified in Exhibit "B".

9. Sub-consultants. Except as provided in Addendum A of this Agreement, and otherwise with prior written approval of PV Water, Consultant shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement. In the event that Consultant employs sub-consultants, sub-contractors, sub-tier contractors, or any person or entity involved by, for, with, or on behalf of Consultant in the performance or subject matter of this Agreement ("sub-consultant"), it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above. Consultant shall require all sub-consultants to provide a valid certificate of insurance and the required endorsements included in the Agreement prior to commencing any work, and will provide proof of compliance to PV Water. Sub-consultants

are to be bound to Consultant and to PV Water in the same manner and to the same extent as the Consultant is bound to PV Water under this Agreement. Consultant shall be responsible to PV Water for the performance of any and all sub-consultants who perform work under this Agreement and any acts of negligence on their part. Consultant is solely responsible for all payments due to sub-consultants.

10. Compliance with Laws. All activities of Consultant will be carried out in compliance with all applicable federal, state and local laws.

11. Permits. Permits required by governmental authorities will be obtained at Consultant's expense, and Consultant will comply with local, state and federal regulations and statutes including Cal/OSHA requirements.

12. Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its work, Consultant shall at all times, exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all federal, state and local statutory and regulatory requirements including State of California, Division of Industrial Safety (Cal/OSHA) regulations, and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act (as applicable). Safety precautions as applicable shall include instructions in accident prevention for all employees such as safe walkways, scaffolds, fall protection, ladders, bridges, gang planks, confined space procedures, trenching & shoring, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries.

13. Equal Employment Opportunity. Consultant agrees to refrain from discriminatory employment practices on the basis of age, race, religious creed, color, sex, national origin, handicap, sexual orientation, disability, ancestry, or other protected characteristics of any employee of, or applicant for employment with, such Consultant.

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

15. Inspection. Authorized representatives of PV Water shall have access to Consultant offices

or other work location during normal business hours for the purpose of review and inspection of work activities undertaken pursuant to this Agreement. Consultant shall maintain books and accounts of the recoverable costs in accordance with generally accepted accounting principles and practices. PV Water shall have access to these books and accounts during Consultant normal business hours for the duration of this Agreement, and for a period of three (3) years after the completion of the particular services to which the costs relate to the extent required to verify the direct costs (excluding established or standard allowances and rates) incurred pursuant to this Agreement.

16. Termination. PV Water may terminate this Agreement at any time, with or without cause, in its sole discretion, by giving written notice to Consultant at least thirty days (30) prior to such termination. Upon receipt of written notice from PV Water that this Agreement is terminated, Consultant will submit an invoice for an amount that represents the value of services actually performed to the date of said notice for which Consultant has not previously been compensated. In the event of termination without cause, PV Water will pay to Consultant all recoverable costs incurred in the performance of such services in accordance with Section 4 of this Agreement, plus all reasonable costs incurred as a result of such termination, but in no event will PV Water pay termination costs exceeding Five Thousand Dollars ($5,000.00) and PV Water will have no further obligation to Consultant, monetarily or otherwise. In the event termination is for cause, Consultant need be compensated only to the extent required by law.

17. Dispute Resolution. The Parties desire to avoid the cost and delay of litigation. To that end, the parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice in letter form to the other party, setting forth the subject of the dispute and the relief requested. Promptly upon such notification, the Parties shall meet at a mutually agreeable time and place in order to exchange relevant information and perspective, and to attempt to resolve the dispute. In the event that no resolution is achieved, and if, but only if, the parties mutually agree, then prior to pursuing formal legal action, the parties shall make a good faith effort to resolve the dispute by non-binding mediation or negotiations between representatives with decision-making power, who, to the extent possible, shall not have had substantive involvement in the matters of the dispute. If the dispute is not resolved by these negotiations, the matter will be handled as the parties may agree or, otherwise as allowed by applicable law. Notwithstanding the foregoing provisions, nothing contained in this Agreement shall impair the parties' right to immediately pursue any and all legal remedies which may be available should there be a default in the terms of this Agreement, and a failure to cure said default after notice as required under this Agreement. If required by statute (e.g. applicable statute of limitation) to perfect or preserve a claim, either party may file the required notice of claim and/or commence litigation. To the extent that the Project involves or qualifies as a public works project, the Parties agree to comply with Public Contract Code section 9204(e).

18. Legal Remedies. Either Party shall be entitled to all remedies afforded by law or in equity to enforce their respective rights under this Agreement. No right or remedy in this Agreement are intended to be exclusive of any other right or remedy, but every such right or

remedy shall be cumulative and shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law, in equity or in the Agreement.

19. Right to Acquire Work from Others. Nothing in this Agreement shall prohibit PV Water from acquiring the same type or equivalent type of work or services under this Agreement from other sources.

20. Assignment and Successors. Consultant shall not assign any portion of the work required by this Agreement nor otherwise assign or transfer any interests in it without prior written approval of PV Water, which may be withheld or delayed in PV Water's sole and absolute discretion. This Agreement will be binding on the heirs, legal representatives, successors and assigns of the parties named above.

21. Severability. If any court of competent jurisdiction should rule that any provision of this Agreement is void, invalid or unenforceable, the remaining provisions will remain in full force and effect and will not be affected by said ruling.

22. Amendment. Except as otherwise provided in this Agreement, neither this Agreement nor any provision hereof may be waived, modified, amended, or discharged, or terminated except by an instrument in writing signed by the Parties, and then only to the extent set forth in such writing.

23. Force Majeure. Neither party hereto shall be considered in default in the performance of its obligation hereunder to the extent that the performance of any such obligation, except the payment of money, is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected party, or by a strike, lockout or other labor difficulty, the settlement of which shall be within the sole discretion of the party involved. Each party hereto shall give notice promptly to the other of the nature and extent of any Force Majeure claimed to delay, hinder or prevent performance of the services under this Agreement. In the event either party is prevented or delayed in the performance of its respective obligation by reason of such Force Majeure, there may be an equitable adjustment of the schedule and Consultant compensation.

24. Governing Law and Venue. This Agreement shall be governed and construed in accordance with the laws of the State of California. The Parties hereby agree that: (a) if any action is brought for the purpose of enforcing any provision of this Agreement, including without limitation instituting any action or proceeding to enforce any provision of this Agreement, for damages by reason of any alleged breach of any provision of this Agreement, or a declaration of rights or obligations under this Agreement, or for any other judicial remedy, then such action shall be brought only in the appropriate state or federal court located in Santa Cruz County, California; and (b) a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this section shall affect or impair any Party's right to serve legal process in any manner permitted by law.

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

If to PV Water:

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

If to Consultant:

ZAG Technical Services, Inc.
Attention: Greg Gatzke, Chief Executive Officer
645 River Oaks Parkway
San Jose, CA 95134

_____

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

27. Interpretation. This Agreement constitutes a fully negotiated agreement between commercially sophisticated Parties, each assisted by legal counsel, and the terms of this

Agreement shall not be construed or interpreted for or against either party hereto because that Party or its legal representative drafted or prepared such provision.

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

29. Counterparts. This Agreement may be executed in counterparts, which, together, shall constitute one and the same instrument. Electronic, facsimile and scanned pdf signatures and copies of this Agreement shall be accepted as originals.

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

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

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

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

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

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above referenced.

PAJARO VALLEY WATER MANAGEMENT AGENCY

By: _____
Brian Lockwood
General Manager

ZAG Technical Services

By: _____
Greg Gatzke
Chief Executive Officer

Addendum A

Managed Security Assurance

A Partnership to Enable Your Success….

PURPOSE

The purpose of this addendum is to serve as a supplement to ZAG's Master Services Agreement (MSA). In any cases of conflicting terms, this addendum will supersede the MSA unless otherwise noted.

EXECUTIVE SUMMARY

The Managed Security Assurance Agreement is a partnership with ZAG's team to ensure the monitoring and management of your systems and infrastructure and that security, as defined below, is implemented. ZAG's Client Operations team ensures that your core platforms are proactively monitored and updated regularly, protecting against preventable incidents, security threats, and business risk. This preventative maintenance of your systems helps ensure optimal performance, stability and security in your environment. This agreement also puts into place specific security measures that help assure the security of your environment.

MANAGED SECURITY ASSURANCE

The Managed Security Assurance Agreement provides your organization with centralized monitoring and patching/updates of firewalls, switches, servers, and computers. Our team will notify you if problems/issues are discovered in your environment, so you can act quickly. This service goes beyond a traditional Remote Monitoring and Management (RMM) offering.

Patching of your systems and infrastructure is included to keep everything current including patching of standard third-party software vendors detailed below. Antivirus and other system and network level protections will also be installed and monitored to provide multiple layers of security. Finally, server backups that meet the standards of this agreement are monitored to ensure their success. Systems outside of the approved list are managed on a best effort process or by managing a third-party vendor.

ADDITIONAL SECURITY MEASURES

The Managed Security Assurance Agreement also puts into place several security offerings that will dramatically improve an organization's security posture. Included in this among other items are:

- DMARC Configuration
- Cloud-based Internet Security
- Dark Web Monitoring
- Quarterly Security Scanning
- Quarterly Internet-based Vulnerability Scanning
- Disk Encryption configured for all workstations

DISCOVERY AND SETUP

Once the agreement has been signed, ZAG can begin the Onboarding process. This work includes:

- Set up the management and antivirus systems
- Perform initial external security testing
- Conduct initial network scan of all devices
- Review server backups
- Configure DMARC
- Deploy Cloud-based Internet Security
- Configure Dark Web monitoring
- Configure Disk Encryption on workstations

SERVICE DESCRIPTIONS

The following table provides a listing of some routine maintenance and administration tasks that are included within the agreement definitions. Tasks may be modified over time as required.

- **Monitor Servers and Workstations**
  - ZAG monitors servers and workstations for issues that arise such as failed drives, etc. Alerts are created so that the local personnel can correct known issues.
- **Monitor Server Backups**
  - Backups are a last line of defense for an organization. It is where the organization goes to if everything else fails. ZAG monitors the backups and alerts the organization should backups fail.
- **Monitor Network Equipment (Switches, Routers, Firewalls)**
  - ZAG continuously monitors the network equipment to ensure it is up and functioning.
- **Monitor UPS Systems**
  - UPS's ensure that systems are up and protected from power-based issues. ZAG monitors these systems as possible to ensure that servers and critical infrastructure stays up and available.
- **Manage Server and Workstation Antivirus**
  - Antivirus is a key line of defense for any organization. ZAG has found that vigilance is needed to ensure organizations are properly protected. ZAG monitors antivirus continuously to ensure that systems are protected.
- **Manage Server and Workstation MS Office/OS Updates**
  - Microsoft updates are the hallmark of security. ZAG manages the updates going to servers and workstations to ensure they are protected.
- **Manage Workstation Third-Party Software Updates**
  - Many vulnerabilities today come through Third-Party software offerings. ZAG works to keep software listed below current to help protect the organization from attack.
- **Configure DMARC**
  - DMARC is a configuration that ZAG implements to protect the organization against email spoofing attacks. After it has been setup ZAG continues to monitor it so that we are alerted should a new valid sending email service be setup. If that happens, ZAG will need to update DMARC to ensure valid emails are delivered.
- **Monitor Cloud-based Internet Security**
  - ZAG implements a Cloud-based Internet security system that protects employees wherever they are. This system is in addition to traditional antivirus. It helps protect employees from going to bad sites on the Internet.
- **Monitor Dark Web Instances**
  - ZAG subscribes to a service that monitors Dark Web instances. Notifications are sent out as new instances of the client's domain are located on the Dark Web. ZAG can also monitor up to two instances of personal email addresses. Executive emails of the

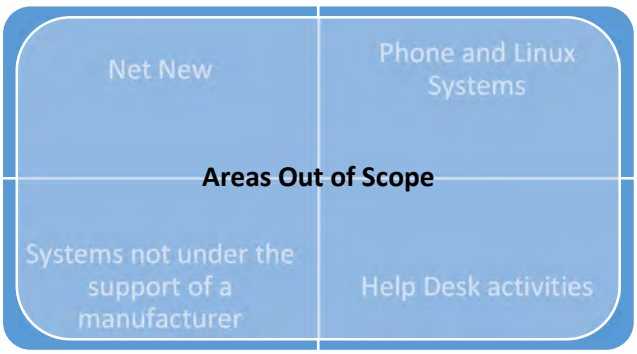
company are normally monitored as personally identity theft of a key executive can be substantially damaging to an organization.

- **Perform Quarterly Security Scanning**
  - ZAG will perform quarterly internal security scanning as a QA process to ensure the security of the organization is current.
- **Perform Quarterly Internet-based Vulnerability Scanning**
  - ZAG will perform quarterly internal security scanning as a QA process to ensure the security of the organization is current.

MANAGED SECURITY ASSURANCE EXCLUSIONS

All patching covered by this agreement shall be automated. Any systems requiring manual patching will be billed separately. Anything considered **net new** is also considered outside the scope of this agreement.

Onsite visits are not covered and will be billed outside of the scope of the agreement. Normal onsite maintenance tasks, like changing of backup tapes, is outside the scope and should be addressed by client personnel.



The management of phone systems are outside the scope of this agreement.

Non-Microsoft OS patching including Mac OS, third-party application patching and Linux systems are outside the scope of this agreement.

MINIMUM REQUIREMENTS

For ZAG to provide the best services possible, the following minimum requirements must be met:

- All systems must be current production machines running supported operating systems. Any systems that are obsolete or running operating systems that are past end of life will be handled to the best of our ability outside of the scope of this agreement.
- All passwords and network design information should be made available to the ZAG Professional Services staff at the time of onboarding. We will create a dedicated ZAG account for access to resources and will not require ongoing access to any existing Domain Administrator accounts.
- The ZAG Monitoring and Management Platform requires a server or high-end workstation that has 8GB RAM and 256GB of free disk space and a current supported Microsoft Operating System. The client will provide the hardware and Operating System for this platform. This system can be virtualized.

SUPPORTED VENDORS INCLUDED IN MANAGED SYSTEMS AND INFRASTRUCTURE

The following vendors are supported in the fixed fee Managed Plans. All products must be under a current warranty plan with the vendor. We can assist with acquiring this support with the vendor if needed.

Switches	Firewalls	Antivirus	Wireless Access Points	Backups
Cisco Catalyst Cisco Meraki HP	Cisco Meraki SonicWall	Sentinel One	Ruckus Meraki HP	BackupExec Datto Azure Backup

Other platforms will be maintained on a best effort process or by managing a third-party vendor (to be identified in separate addendum after assessment has been completed). Please note that these devices will be patched under the same schedule as supported devices. Patching and maintenance is critical to ensure the optimal performance and security of your environment.

Following is the full list of non-Microsoft apps that are patched under this plan. Please inform ZAG if any of these should be excluded from normal patching:

NON-MICROSOFT SUPPORTED VENDORS INCLUDED IN AUTOMATED PATCHING

Third Party Software Vendors		
Adobe Acrobat XI	Google Earth	
Adobe Air	iTunes (x64)	
Adobe Reader	iTunes (x86)	
Adobe Reader DC	Microsoft	VLC Media Player (x86)
Adobe Reader MUI	Notepad ++	WinRAR (x64)
Chrome	Opera Chromium	WinRAR (x86)
Firefox	QuickTime	WinZip (x64)
Firefox ESR	Safari	WinZip (x86)
Flash ActiveX	Shockwave	
Flash Plugin	Skype	
Foxit Reader	Thunderbird	

LIFECYCLE MANAGEMENT

Under this agreement, the client agrees to adhere to the following lifecycle management:

Hardware	Lifecycle
Laptops/Desktops	Replaced at minimum every four years
Servers/SANs	Replaced at minimum every six years
Switches/Routers/Firewalls/WiFi	Replaced at minimum every six years

TERM

The Managed Security Assurance agreement is a month to month term. A 30-day notice of termination is required should any party terminate this agreement.

RATES

Managed Service Calculations

	Monthly	Non-Recurring	Approved
Managed Security Assurance	$1925.00		
Discovery & Setup		$0	
	$1925.00	**$0**	

The number of devices being managed under this plan are updated monthly and the rates are adjusted accordingly. Customer agrees to pay for service for all systems discovered in the monthly audit at a rate of $65.00/workstation and $100.00/server.

Professional Services Hourly Rates

	Normal Business Hours	Nights, Weekends, Holidays
Systems Engineer	$205	50% Premium
Sr. Systems Engineer Sr. Project Manager	$225	
Solution Architect	$300	

ACCEPTANCE

IN WITNESS WHEREOF, the Parties have caused this Scope of Work ("SOW") to be executed as of the date indicated below.

Accepted By:

Authorized Signature	ZAG Technical Services, Inc.	Date
Authorized Signature	Pajaro Valley Water Management Agency	Date

APPENDIX A – SUMMARY INFORMATION

The pricing is based upon the following understanding of the client's environment:

	Quantity	Description
Number of Locations	1	
Firewalls		
Switches		
Servers (Virtual and Physical)	6	
Workstations (Virtual and Physical)	21	
Backup Solution		
Cloud Services(email, file sharing, SSO, MFA, document management, CRM, ERP, marketing, etc.)		

EXHIBIT "B"

Insurance Requirements

Consultant shall procure and maintain insurance as follows:

1. Commercial General Liability Insurance. Commercial general liability insurance, including products and completed operations, property damage, bodily injury, personal and advertising injury with limits of not less than $1,000,000 each occurrence and $2,000,000 aggregate.

2. Automobile Liability Insurance. Automobile liability insurance covering automobile bodily injury and property damage, including all owned (if any), hired and non-owned autos, with limits of not less than $1,000,000 each accident. If Consultant acquires any owned vehicles, Consultant shall provide insurance as above.

3. Professional Liability Insurance. Limits of liability in amounts not less than $1,000,000 per occurrence or claim and $2,000,000 aggregate, insuring Consultant and its employees against liabilities arising out of or in connection with the negligent acts, errors, or omissions of any of the foregoing in connection with the carrying out of their professional responsibilities relating to this Agreement. Consultant shall renew continuous coverage or extend the reporting period, to the extent available, by endorsement or otherwise, for claims five (5) years from the date this Agreement is terminated. Such professional liability policies shall include coverage for liability assumed by the Consultant under this Agreement for losses arising out of Consultant's negligence.

4. Workers' Compensation and Employer's Liability Insurance. Worker's Compensation as required by the Labor Code of the State of California and Employer's Liability Insurance for all employees in workplaces involved in this Agreement. Employer's liability insurance in the amount of, at least, $1,000,000 per accident for bodily injury or disease. The Certificate of Insurance shall include waiver of subrogation endorsement in favor of PV WATER. ***This requirement may be waived if Consultant provides a sworn affidavit to PV WATER that Consultant has no employees.***

5. Other Requirements.

    a. Additional Insured Endorsement. The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions: **The Pajaro Valley Water Management Agency, its directors, officers, employees, and authorized volunteers are to be additional insured**. The coverage shall contain no special limitations on the scope of protection afforded to PV WATER, its directors, officers, employees, or authorized volunteers.

b. Primary Insurance. For any claims related to this Agreement, Consultant's insurance shall be primary insurance as respects PV WATER, its directors, officers, employees, and authorized volunteers, individually and collectively. Any insurance, self-insurance, or other coverage maintained by PV WATER, its directors, officers, employees, or authorized volunteers shall be in excess of Consultant's insurance and shall not contribute to it.

c. Cancellation. The policies specified above are to state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to PV WATER.

d. Changes. If any change is made in the insurance carrier, scope of coverage or retroactive date of professional liability coverage required under this Agreement, Consultant shall notify the PV WATER within three (3) working days.

e. Evidence of Insurance. Prior to execution of this Agreement, Consultant shall file with PV WATER, on forms acceptable to PV WATER, certificate(s) of insurance and additional insured endorsements, as specified above.

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

g. Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-VII or equivalent or as otherwise approved by PV WATER.

h. Special Risks or Circumstances.
PV WATER reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

MEMORANDUM

DATE:	June 15, 2023
MEETING OF:	June 21, 2023
TO:	Board of Directors
FROM:	General Manager
RE:	**CONSENT AGENDA ITEM 9G:** Adopt Resolution 2023-16, Placing in Nomination Mary Bannister as a Member of the Association of California Water Agencies, Region 5 Director

BACKGROUND

The Region 5 Nominating Committee is looking for ACWA members who are interested in leading the direction of ACWA Region 5 for the 2024-2025 term. The Nominating Committee is currently seeking candidates for the Region 5 Board, which is comprised of Chair, Vice Chair and up to five Board Member positions.

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 5 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 5. The members of the Region 5 Board determine the direction and focus of regional issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members and serve as a key role in ACWA's grassroots outreach efforts.

Director Bannister was elected to the ACWA Region 5 Board in 2022, and is presently serving a term that spans January 1, 2022, through December 31, 2023. Director Bannister has stated her interest in continuing her ACWA Region 5 Board leadership role for another term, which would begin on January 1, 2024, and extend through December 31, 2025. In this role, Director Bannister would have the unique ability to represent the Pajaro Valley, and bring forth timely and relevant topics to the ACWA Region 5 Board, as well as ACWA leadership.

FISCAL IMPACT

Minor costs associated with travel to and from ACWA Board Meetings if Director Bannister is reelected.

STAFF RECOMMENDATION

That the Board approve Resolution 2023-16 Placing in Nomination Mary Bannister as a Member of the Association of California Water Agencies, Region 5 Director.

ATTACHMENTS

- Resolution 2023-16, Placing in Nomination Mary Bannister as a Member of the Association of California Water Agencies, Region 5 Director

Resolution 2023-16

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

Placing in Nomination Mary Bannister as a Member of the Association of California Water Agencies, Region 5 Director

---

WHEREAS, The Board of Directors (Board) of the Pajaro Valley Water Management Agency (PV Water) does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA); and,

WHEREAS, Mary Bannister, PV Water Director, Division A, and Treasurer, and ACWA Region 5 Board Member since January 1, 2022, has indicated a desire to serve a second term as Director of ACWA Region 5 Board; and

WHEREAS, Mary Bannister is a California licensed Professional Geologist (PG 4915) and Certified Geologist (CEG 1565) with over 30 years' experience in groundwater management, hydrology, and engineering geology; and

WHEREAS, Mary Bannister prior to working with PV Water worked in private industry, including 10 years in Alaska working on pipeline and coastal engineering projects; and

WHEREAS, Mary Bannister began working at the PV Water in 1999 and served as General Manager from 2008 through 2016, and two years after retiring as General Manager, she was elected to the PV Water Board of Directors, representing Division A; and

WHEREAS, Mary Bannister was responsible for all aspects of management of ground water resources and oversight of all aspects of design permitting and construction of 20 miles of distribution system and a 4,000 acre foot/year recycled water facility in the coastal Pajaro Valley on Monterey Bay; and

NOW, THEREFORE, BE IT RESOLVED,

1. That the Board does place its full and unreserved support in the nomination of Mary Bannister for the position of ACWA Region 5 Director; and
2. That the Board does hereby determine that the expenses attendant with the service of Mary Bannister shall be borne by PV Water.

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **21st** day of **June 2023**, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Amy Newell, Chair

Attest:

_____
Laura R. Taay, Board Secretary

Resolution 2023-17

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

Expressing Appreciation to Frank Capurro for Dedicated Service to the Pajaro Valley Water Management Agency

---

WHEREAS, Frank Capurro served on the Board of the Pajaro Valley Water Management Agency ("PV Water") from 1998 to 2006, and in the role of Board Chair from 2001 to 2006; and,

WHEREAS, Frank Capurro served on the Projects and Facility Operations Committee, previously named the Water Quality and Operations Committee, and the Water Quality Committee, of the Pajaro Valley Water Management Agency since its inception in 2004; and,

WHEREAS, Frank Capurro is a leader in Central Coast agriculture; and

WHEREAS, Frank Capurro helped to guide PV Water through the startup and long-term establishment of recycled water as a main source of supplemental water in the Coastal Distribution System, lending his expertise and professionalism on all topics, some of which included public relations, nutrient management, irrigation, and recycled water use; and

WHEREAS, Frank Capurro served on the Committee through successful completion of multiple large construction projects; and

WHEREAS, Frank Capurro has served with exemplary leadership, dedication, expertise, matter-of-fact goodwill, humor, and dedication to establishing a dependable supplemental water supply for agriculture in the region,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Pajaro Valley Water Management Agency, expresses its heartfelt appreciation to Frank Capurro for his work on behalf of PV Water and the community.

PASSED AND ADOPTED by the Pajaro Valley Water Management Agency, County of Santa Cruz, State of California, the **21st** day of **June, 2023**, by the following vote:

_____
Amy Newell, Chair

_____
Stephen Rider, Vice Chair

_____
Robert Culbertson, Director

_____
Mary Bannister, Director

_____
Javier Zamora, Director

_____
Tom Broz, Director

_____
Abel Sanchez, Director

ATTEST:_____
Laura R. Taay, Board Secretary

MEMORANDUM

DATE: June 16, 2023
MEETING OF: June 21, 2023
TO: Board of Directors
FROM: General Manager
RE: **INFORMATIONAL ITEM 10A:** Basin Management Plan Implementation Update

---

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
  - The California Department of Water Resources (DWR) published its draft funding list for the 2021 Sustainable Groundwater Management (SGM) Grant Program Implementation Grant. PV Water had applied for funding to support the construction of the College Lake Integrated Resources Management Project; however, PV Water's proposal was not selected for funding.
  - Received a letter from the Department of Conservation announcing that PV Water's Multibenefit Land Repurposing Grant program proposal has been selected to receive $8.89 million in funding; partners include the Resource Conservation District of Santa Cruz County, the University of California, Santa Cruz, the Santa Cruz County Land Trust, the Pajaro River Flood Management Agency, Watsonville Wetlands Watch, and the Nature Conservancy.
  - Closed on the Certificates of Participation on Tuesday, June 13; $40 million has been transferred to PV Water's BNY Mellon Account.
  - Work continues on Water Infrastructure Finance and Innovation Act (WIFIA) application.
- Recycled Water Facility Optimization
  - Reliability, Operations, and Condition Assessment Project: Participated in meetings on May 15th and May 22nd to review comments and questions on the reports; a final meeting will be scheduled to discuss the prioritization and cost estimates of maintenance projects.
- College Lake Integrated Resources Management Project
  - Construction: Orchard removal is mostly complete, with the exception being a 50-foot buffer protecting a hummingbird's nest; utility confirmation (via potholing) began on May 23 and continues; trenching on Holohan Road commenced on June 11.
  - Environmental: All required monitoring training is underway.
  - Adaptive Management Plan: hydrologic monitoring and waterfowl monitoring activities continue.

    - Outreach Activities: Held Groundbreaking Ceremony on June 9, 2023, it was well attended and included current and former PV Water Directors, Congresswoman Zoe Lofgren, DWR Representative Carmel Brown, the mayor and vice mayor of the City of Watsonville, Supervisor Hernandez's Chief of Staff, and community members and consultants. Please check https://www.pvwater.org/construction; regularly for construction related updates.
- Watsonville Slough System Managed Aquifer Recharge & Recovery Projects
    - Permitting: Ongoing.
    - Design: Ongoing.
    - Harkins Slough Recharge Basin Recovery Wells 2022 Project: Santa Cruz County staff have recently approved the well permits, and staff is working with the contractor to schedule drilling activities.
    - Harkins Slough Project diversions ceased on Wednesday, May 31. Staff diverted just over 300 acre-feet this year to the Harkins Slough Recharge Basin.

FISCAL IMPACT

There is no fiscal impact associated with this monthly update.

STAFF RECOMMENDATION

The Board receives the update.

ATTACHMENTS

- Letter from the Department of Conservation dated June 12, 2023 regarding Multibenefit Land Repurposing Program Grant Solicitation – Regional Block Grants

DocuSign Envelope ID: 8FF700AC-CF70-4A0A-9659-B80858269EC0

June 12, 2023

Brian Lockwood
Pajaro Valley Water Management Agency

Via Email to: lockwood@pvwater.org

Re: Multibenefit Land Repurposing Program Grant Solicitation – Regional Block Grants

Dear Brian:

Thank you for your application in response to the Department of Conservation's Round 2 Multibenefit Land Repurposing Program regional block grant solicitation. We were pleased to receive numerous strong proposals totaling over $84.6 million in requests and demonstrating a commitment to repurposing agricultural lands to support groundwater sustainability and provide multiple benefits.

It is my pleasure to inform you that your proposal has been awarded $8.89 million in funding through this solicitation.

Department of Conservation staff will work with you to complete the draft grant agreement that was included in the solicitation. If your budget, work plan, or any other aspect of your proposal requires revision, staff will work with you to update these elements of your proposal prior to preparing the grant agreement. The grant agreement must be fully executed before expenses can be incurred.

Please contact Jessica Parrish, Grant Manager for this project, at Jessica.Parrish@conservation.ca.gov or (916) 261-4552 should you have any questions. We look forward to working with you and wish you success in implementing your work plan.

Sincerely,

Keali'i Bright
Director, Division of Land Resource Protection

MEMORANDUM

DATE: June 16, 2023
MEETING OF: June 21, 2023
TO: Board of Directors
FROM: General Manager
RE: **ITEM 11A:** Consider Adoption of Proposed Final Budget for Fiscal Year Ending June 30, 2024

BACKGROUND

The Fiscal Year 2023-2024 (FY23-24, ending on June 30, 2024), budget funds the mission of the Agency and provides a projection of finances for the upcoming fiscal year. The budget narrative describes key activities and important assumptions taken into account to develop the budget, including activities related to the Sustainable Groundwater Management Act (SGMA), the implementation of the Basin Management Plan (BMP) Update, Agency operations, and anticipated revenue. The figures contained within the budget are based on actual data, projections, and estimations. The budget is created on the accrual basis to be consistent with the year-end financial statements. On the accrual basis, revenues are recorded as earned and expenditures are recorded when incurred.

DISCUSSION

The budget is a planning and communication tool that contains significant assumptions including but not limited to projecting groundwater extractions and delivered water sales, grant income, and progress on capital project implementation. The most significant capital projects listed in the budget include the College Lake Integrated Resources Management Project, which is presently in the construction phase, and the Watsonville Slough Managed Aquifer Recharge and Recovery Projects, which is the final design phase. The total budgeted revenues presented are $64,400,000. The total budgeted expenditures are $95,216.604.

Notable revenue related assumptions are illustrated in Figure 1 and include:

- Management fees of $370,000
- Augmentation charge revenues of $11.71 million
- Delivered water revenues of $1.8 million
- Grant revenues of $5 million
- WIFIA proceeds of $45 million

Notable expenditure related assumptions are illustrated in Figure 2 and include:

- Capital Projects expenditures of approximately $81.09 million as listed below.
    - College Lake Integrated Resources Management Project – $73.66 million
    - Harkins Slough Recharge Facility Upgrades – $3.7 million
    - Struve Slough with Recharge Basins – $1.52 million
    - Basin Monitoring Improvements - $2.21 million

Figure 1. Projected Revenues: $64,400,000

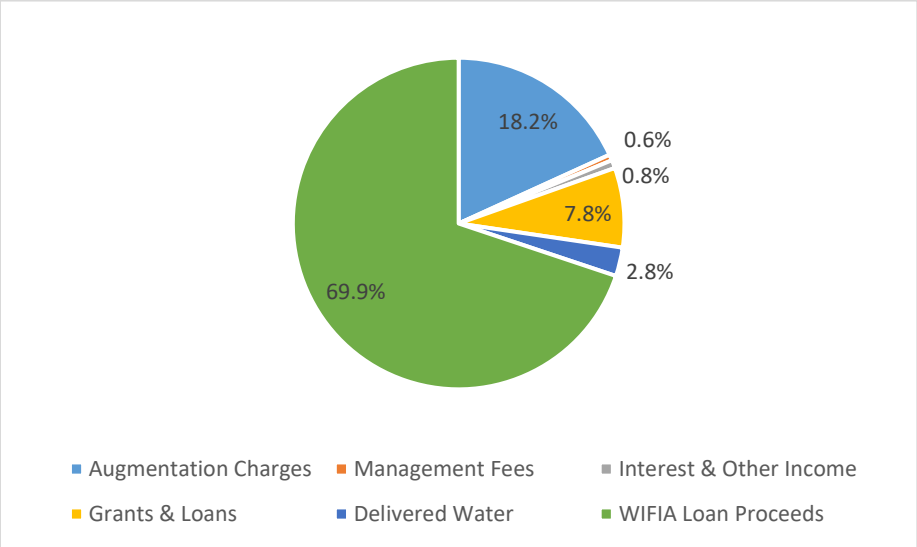
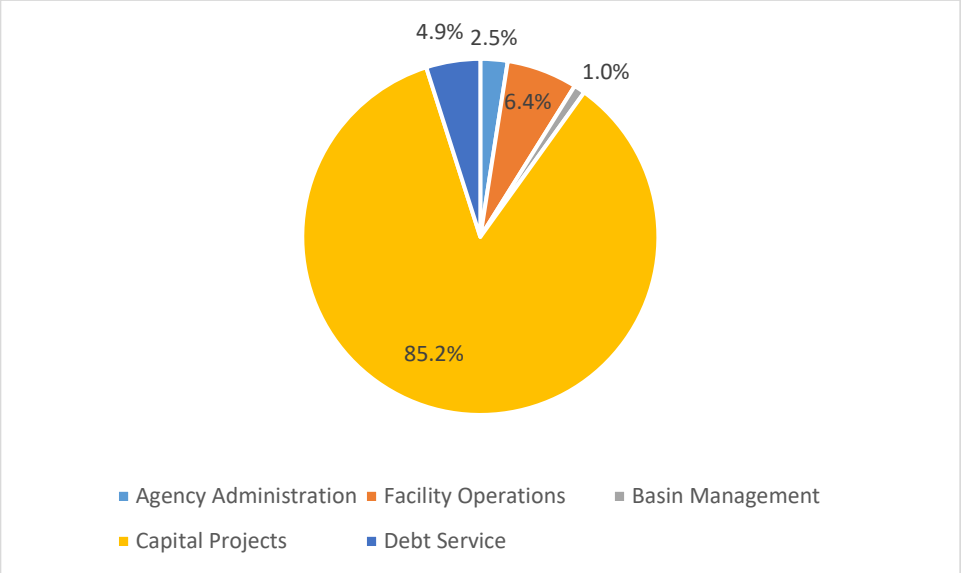


Figure 2. Projected Expenditures: $95,216,604



The Agency Act requires that the Board of Directors adopt a preliminary budget by May 15 of each year. PV Water must then publish a notice that the Board has adopted a preliminary budget, that it is available for public inspection, and hold a public hearing following the minimum two-week notice period. The Board must adopt a final budget by June 30 of each year.

The recommended timeline for budget adoption this year is as follows:

April 11, 2023	Administration & Finance Committee reviewed preliminary budget.
April 19, 2023	Board adopted the preliminary budget.
April 28, 2023	Staff publishes required notice of availability of the preliminary budget.
May 9, 2023	Administration & Finance Committee reviews budget again.
May 17, 2023	Board holds public hearing.
June 13, 2023	Administration & Finance Committee reviews final budget.
June 21, 2023	Board considers adoption of proposed final budget.

FISCAL IMPACT
There is no direct impact; the budget is a planning and communication tool.

STAFF RECOMMENDATION
The Board adopt the proposed final budget for the Fiscal Year Ending June 30, 2024.

The Administration & Finance Committee reviewed the proposed final budget for fiscal year ending June 30, 2024, on June 13, 2023, and voted in favor of recommending the Board adopt the budget. No members of the public attended the meeting.

ATTACHMENT
- The proposed Final Budget for the Fiscal Year Ending June 30, 2024, is provided as a stand-alone document that is available on the Board of Directors webpage: https://www.pvwater.org/director-agendas.

MEMORANDUM

DATE: June 16, 2023
MEETING OF: June 21, 2023
TO: Board of Directors
FROM: General Manager
RE: **DISCUSSION/ACTION ITEM 11B:** Consider Agreement with Amah Mutsun Land Trust for College Lake Integrated Resources Management Project, 30-39, for Tribal Monitoring Services, in an Amount Not to Exceed $100,000

INTRODUCTION

The College Lake Integrated Resources Management Project (College Lake Project or Project) is a critical water supply project recommended for implementation by the Ad Hoc Basin Management Plan Committee as documented in the 2014 Basin Management Plan Update. The Pajaro Valley Water Management Agency (PV Water) Board of Directors (Board) awarded construction contracts in support of this Project on February 1, 2023. During this item, the Board will consider approving an agreement with Amah Mutsun Land Trust for College Lake Integrated Resources Management Project, 30-39, Tribal Monitoring Services, in an amount not to exceed $100,000.

BACKGROUND

California Environmental Quality Act (CEQA) & Project Design

PV Water published the Draft EIR for the Project on April 17, 2019. The formal comment period closed on June 21, 2019. In response to comments on the Draft EIR, PV Water published the Final EIR on September 30, 2019. On October 16, 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." During that same meeting, the Board also adopted Resolution 2019-19, "Selecting, Approving, and Adopting the College Lake Integrated Resources Management Project."

On August 19, 2020, the PV Water Board authorized College Lake Project design and bid period services agreements with Carollo Engineers and Jacobs Engineering Group. On October 21, 2020, the Board of Directors approved an agreement with Environmental Science Associates (ESA) for environmental support services related to the Project. Staff has since overseen the development of the designs for the weir structure and intake pump station, water treatment plant, and College Lake pipeline; the preparation of the College Lake Adaptive Management Plan; and the development of an addendum to the Project Environmental Impact Report (EIR). On July 20, 2022, the Board adopted Resolution 2022-17, "Approving the Addendum to the College Lake Integrated Resources Management Project Environmental Impact Report (SCH No. 2017112063)" and Resolution 2022-18, "Selecting, Approving, and Adopting Modifications to the College Lake Integrated Resources Management Project."

Tribal monitoring is required during the construction of some part of the College Lake Project. The EIR, Addendum, and other relevant information is available online at https://www.pvwater.org/college-lake-project.

Project Description
Throughout much of the Pajaro Valley Groundwater Basin, groundwater levels have declined because of long-term groundwater overdraft. Overdraft conditions result in seawater intrusion, groundwater quality degradation, and groundwater storage depletion. The primary purposes of the Project are to help balance the groundwater basin, prevent further seawater intrusion, and meet water supply needs in PV Water's service area by developing College Lake as a water storage and supply source. The Project is located in portions of unincorporated Santa Cruz County and the City of Watsonville. Project components include a weir structure and intake pump station, a water treatment plant, and a pipeline to convey water from the water treatment plant to the City of Watsonville Recycled Water Facility and to PV Water's Coastal Distribution System. The Project will supply an average of 1,800 to 2,300 acre-feet per year of water to growers in the Pajaro Valley. The following changes were documented and then approved following adoption of Resolution 2022-17 and Resolution 2022-18 (as noted above):

- **Weir Structure and Intake Pump Station.** The configuration and dimensions of the weir structure and intake pump station have been refined since approval of the Project to, for example, incorporate input from NMFS regarding design of the fishway passage.

- **Water Treatment Plant.** The design for the WTP has been refined, resulting in a smaller permanent footprint compared to the approved Project, and an addition of a potable water well.

- **College Lake Pipeline.** To reduce disruption to streets within the City of Watsonville, PV Water evaluated and approved an alternative alignment for the College Lake pipeline that is closer to agricultural fields and generally east of city streets. The proposed pipeline is now approximately 6 miles long and 30 inches in diameter.

- **Project Construction.** Construction has commenced and is estimated to be completed by 2025.

Environmental Resources and Impacts
The Addendum evaluated changes in the Project's effects on the physical environment with respect to the following resource areas:

Land Use and Agricultural Resources	Hazards and Hazardous Materials	Energy, Utilities, Public Services, and Recreation
Surface Water, Groundwater, and Water Quality	Noise and Vibration	Aesthetic Resources
Biological Resources	Transportation and Traffic	Cumulative Effects
Air Quality and Greenhouse Gases	Cultural Resources	
Geology and Soils	Tribal Cultural Resources	

The Addendum found that the modified Project would not result in new or more severe significant impacts than those attributable to the Project described in the certified EIR. The Addendum also determined that the analyses and discussion do not indicate substantial changes in the Project, which would have required major revisions to the certified EIR due to involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There have been no substantial changes in circumstances under which the Project is undertaken that would result in new significant environmental impacts or substantially more severe impacts, and no new information of substantial importance has become available that would indicate the potential for new significant impacts or substantially more severe impacts than were discussed in the EIR. Therefore, no further evaluation was required, and no Subsequent EIR or Supplement to an EIR was needed pursuant to Public Resources Code section 21166 and CEQA Guidelines section 15162 and 15163.

Services to Support Construction Activities
On February 1, 2023, the Board approved agreements for construction management services, engineering services, and for environmental monitoring and permit compliance services. The Amah Mutsun Land Trust has been recently engaged to provide Tribal monitoring services during ground disturbing activities.

FISCAL IMPACT
The agreement includes a not to exceed amount of $100,000.

STAFF RECOMMENDATION
The Board approve the Agreement, in substantially the same form as the version attached, with the Amah Mutsun Land Trust for College Lake Integrated Resources Management Project, 30-39, Tribal Monitoring Services, in an Amount Not to Exceed $100,000

ATTACHMENTS
- Agreement with the Amah Mutsun Land Trust for College Lake Integrated Resources Management Project, 30-39, Tribal Monitoring Services, in an Amount Not to Exceed $100,000

PAJARO VALLEY WATER MANAGEMENT AGENCY ("PV WATER")
36 Brennan Street
Watsonville, CA 95076
Tel (831) 722-9292 Fax (831) 722-3139

CONSULTANT AGREEMENT

To:	**Amah Mutsun Land Trust**	**Date**:	**June 21, 2023**
Tel:	**831-713-9326**		
Fax:			

Contract Amount:	**$100,000**	**Start Date:**	**April 1, 2023**	**End Date:**	**December 31, 2024**

Accepted:	**Pajaro Valley Water Management Agency**	**Consultant:**	**Amah Mutsun Land Trust**
		FEIN:	
By:		**By:**	
	Brian Lockwood		**Valentin Lopez**
Title	**General Manager**	**Title**	**Chairperson**
	Other authorized representative(s):		**Other authorized representative(s):**

CONSULTANT AGREEMENT

This Agreement is entered into and effective this 1st day of April, 2023, by and between the Pajaro Valley Water Management Agency ("PV Water"), and Amah Mutsun Land Trust ("Consultant") referred to herein individually as a "Party" and collectively as "the Parties."

WHEREAS, PV Water desires to hire Consultant for the Tribal Monitoring Requirements of the Cultural Resources Monitoring and Mitigation Plan ("Project"); and,

WHEREAS, Consultant represents that it has the expertise, means, and ability to perform said duties as outlined within its proposal included as Exhibit A;

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

1. Term of Agreement. This Agreement shall terminate on December 31, 2024, unless terminated sooner pursuant to the terms of this Agreement. The Parties' authorized representatives (defined below) shall have the authority to extend this term by written amendment to this Agreement.

2. Work. Consultant will furnish services as defined and described in the proposal attached hereto as Exhibit "A", and incorporated herein. All work performed by Consultant, or under Consultant's direction, shall be rendered in accordance with the generally accepted practices, and to the standards of, Consultant's profession. Consultant represents and warrants that Consultant: (i) is fully experienced and properly qualified to perform the class of work and service provided for herein, (ii) has the financial capability required for the performance of the work and services, and (iii) is properly equipped and organized to perform the work and services in a competent, timely, and proper manner, in accordance with the requirements of this Agreement.

   2.1 Change in Work. Any change in the scope of the professional services to be done, method of performance, nature of materials or price thereof, or to any other matter materially affecting the performance or nature of the professional services will not be paid for or accepted unless such change, addition or deletion be approved in advance, in writing by a supplemental agreement by the Parties. PV Water may order changes in the scope or character of services in writing, including decreasing the amount of Consultant's services described herein. In the event that the work is decreased, Consultant is entitled to full compensation for services performed and expenses incurred prior to the receipt of notice of change pursuant to Section 4 of this Agreement.

3. Authorized Representatives. The authorized representatives shall be individuals with the necessary authority to direct technical and professional work within the scope of this Agreement and shall serve as the principal point of contact for the Project for each respective party.

3.1 PV Water. PV Water designates the following individual(s) as PV Water's authorized representative(s): Brian Lockwood, General Manager. Only PV Water's authorized representative(s) is authorized to approve changes to this Agreement on behalf of PV Water.

3.2 Consultant. Consultant designates the following individual(s) as Consultant's authorized representative(s): _____. Only Consultant's authorized representative(s) is authorized to approve changes to this Agreement on behalf of Consultant.

4. Compensation. PV Water will pay Consultant, as full compensation for full performance of the services described in this Agreement, a fee not to exceed **One Hundred Thousand Dollars ($100,000).** The fee for services will be based on the Fee Schedule included in Exhibit "A" of this Agreement.

4.1 Method of Payment. Consultant shall prepare and submit to PV Water detailed monthly invoices for fees and costs incurred in the performance of the services hereunder during the previous billing period. The invoice shall describe the services rendered and shall be based on all labor and direct expense charges made for work performed hereunder. Labor charges shall be in accordance with the Fee Schedule found in Exhibit "A" of this Agreement. PV Water shall pay the amount of each itemized invoice within thirty (30) days after the receipt of the invoice, subject to a finding by PV Water that work performed has been satisfactory and that payment is for the work specified in Exhibit "A" and does not exceed the maximum amount specified above.

4.2 Direct Expenses. Direct expenses are those outside costs and rates identified in Exhibit A incurred directly for the work performed and substantiated with invoices for the charges. Consultant will not be reimbursed for any costs or expenses at any rates that exceed the rates set forth in the Fee Schedule found in Exhibit "A". If Consultant must incur other costs which are not specifically covered by the terms of this Agreement, but which are necessary for the performance of Consultant's duties, PV Water may approve payment for said costs if authorized in writing by PV Water in advance.

5. Independent Contractor. Consultant represents that it has or will secure at its own expense all personnel, materials, and related services required to perform the services under this Agreement. Consultant (and its employees, agents, representatives, and sub-consultant(s)), in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of PV Water. Consultant, not PV Water, shall have exclusive and complete control over its employees and subcontractors, and shall determine the method of performing the services hereunder. PV Water, however, retains the right to require that work performed by Consultant meet specific standards consistent with the requirements of this Agreement without regard to the manner and means of accomplishment thereof.

6. Conflict of Interest. Consultant owes PV Water a duty of undivided loyalty in performing the work and services under this Agreement. Consultant covenants that it presently has no

interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Consultant acknowledges that it is aware of and agrees to comply with the provisions of the Political Reform Act, Section 1090 of the Government Code, and the PV Water conflict of interest code. Consultant will immediately advise Agency counsel if Consultant learns of a conflicting financial interest of Consultant's during the term of this Agreement.

7. Indemnification.

For General Services: To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless PV Water, its directors, officers and employees from and against any and all claims, demands, actions, damages, or expenses, (including attorney's fees and costs) arising from the acts or omissions of Consultant's employees or agents in any way related to the obligations or in the performance of services under this Agreement, except for design professional services as set forth in Civil Code § 2782.8, and except where caused by the sole or active negligence, or willful misconduct of PV Water.

For Design Professional Services under Civil Code §2782.8:
To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless PV Water, its directors, officers and employees from and against any and all claims, demands, actions, damages, or expenses, (including attorney's fees and costs) arising from the negligence, recklessness, or willful misconduct of the Consultant, Consultant's employees or agents in any way related to the obligations or in the performance of design professional services under this Agreement as set forth in Civil Code, except where caused by the sole or active negligence, or willful misconduct of PV Water. The costs to defend charged to the Consultant relating to design professional services shall not exceed the Consultant's proportionate percentage of fault per Civil Code §2782.8.

8. Insurance. Consultant agrees to procure and maintain the insurance coverages and limits as required by PV Water prior to the commencement of work, as specified in Exhibit "B".

9. Sub-consultants. Except as provided in Exhibit "A" of this Agreement, and otherwise with prior written approval of PV Water, Consultant shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement. In the event that Consultant employs sub-consultants, sub-contractors, sub-tier contractors, or any person or entity involved by, for, with, or on behalf of Consultant in the performance or subject matter of this Agreement ("sub-consultant"), it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above. Consultant shall require all sub-consultants to provide a valid certificate of insurance and the required endorsements included in the Agreement prior to commencing any work, and will provide proof of compliance to PV Water. Sub-consultants are to be bound to Consultant and to PV Water in the same manner and to the same extent as the Consultant is bound to PV Water under this Agreement. Consultant shall be responsible to PV Water for the performance of any and all sub-consultants who perform work under this Agreement and any acts of negligence on their part. Consultant is solely responsible for all payments due to

sub-consultants.

10. Compliance with Laws. All activities of Consultant will be carried out in compliance with all applicable federal, state and local laws.

11. Permits. Permits required by governmental authorities will be obtained at Consultant's expense, and Consultant will comply with local, state and federal regulations and statutes including Cal/OSHA requirements.

12. Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its work, Consultant shall at all times, exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all federal, state and local statutory and regulatory requirements including State of California, Division of Industrial Safety (Cal/OSHA) regulations, and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act (as applicable). Safety precautions as applicable shall include instructions in accident prevention for all employees such as safe walkways, scaffolds, fall protection, ladders, bridges, gang planks, confined space procedures, trenching & shoring, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries.

13. Equal Employment Opportunity. Consultant agrees to refrain from discriminatory employment practices on the basis of age, race, religious creed, color, sex, national origin, handicap, sexual orientation, disability, ancestry, or other protected characteristics of any employee of, or applicant for employment with, such Consultant.

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

15. Inspection. Authorized representatives of PV Water shall have access to Consultant offices or other work location during normal business hours for the purpose of review and inspection of work activities undertaken pursuant to this Agreement. Consultant shall maintain books and accounts of the recoverable costs in accordance with generally accepted accounting principles and practices. PV Water shall have access to these books and accounts during Consultant

normal business hours for the duration of this Agreement, and for a period of three (3) years after the completion of the particular services to which the costs relate to the extent required to verify the direct costs (excluding established or standard allowances and rates) incurred pursuant to this Agreement.

16. Termination. PV Water may terminate this Agreement at any time, with or without cause, in its sole discretion, by giving written notice to Consultant at least thirty days (30) prior to such termination. Upon receipt of written notice from PV Water that this Agreement is terminated, Consultant will submit an invoice for an amount that represents the value of services actually performed to the date of said notice for which Consultant has not previously been compensated. In the event of termination without cause, PV Water will pay to Consultant all recoverable costs incurred in the performance of such services in accordance with Section 4 of this Agreement, plus all reasonable costs incurred as a result of such termination, but in no event will PV Water pay termination costs exceeding Five Thousand Dollars ($5,000.00) and PV Water will have no further obligation to Consultant, monetarily or otherwise. In the event termination is for cause, Consultant need be compensated only to the extent required by law.

17. Dispute Resolution. The Parties desire to avoid the cost and delay of litigation. To that end, the parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice in letter form to the other party, setting forth the subject of the dispute and the relief requested. Promptly upon such notification, the Parties shall meet at a mutually agreeable time and place in order to exchange relevant information and perspective, and to attempt to resolve the dispute. In the event that no resolution is achieved, and if, but only if, the parties mutually agree, then prior to pursuing formal legal action, the parties shall make a good faith effort to resolve the dispute by non-binding mediation or negotiations between representatives with decision-making power, who, to the extent possible, shall not have had substantive involvement in the matters of the dispute. If the dispute is not resolved by these negotiations, the matter will be handled as the parties may agree or, otherwise as allowed by applicable law. Notwithstanding the foregoing provisions, nothing contained in this Agreement shall impair the parties' right to immediately pursue any and all legal remedies which may be available should there be a default in the terms of this Agreement, and a failure to cure said default after notice as required under this Agreement. If required by statute (e.g. applicable statute of limitation) to perfect or preserve a claim, either party may file the required notice of claim and/or commence litigation. To the extent that the Project involves or qualifies as a public works project, the Parties agree to comply with Public Contract Code section 9204(e).

18. Legal Remedies. Either Party shall be entitled to all remedies afforded by law or in equity to enforce their respective rights under this Agreement. No right or remedy in this Agreement are intended to be exclusive of any other right or remedy, but every such right or remedy shall be cumulative and shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law, in equity or in the Agreement.

19. Right to Acquire Work from Others. Nothing in this Agreement shall prohibit PVWater from acquiring the same type or equivalent type of work or services under this Agreement from

other sources.

20. Assignment and Successors. Consultant shall not assign any portion of the work required by this Agreement nor otherwise assign or transfer any interests in it without prior written approval of PV Water, which may be withheld or delayed in PV Water's sole and absolute discretion. This Agreement will be binding on the heirs, legal representatives, successors and assigns of the parties named above.

21. Severability. If any court of competent jurisdiction should rule that any provision of this Agreement is void, invalid or unenforceable, the remaining provisions will remain in full force and effect and will not be affected by said ruling.

22. Amendment. Except as otherwise provided in this Agreement, neither this Agreement nor any provision hereof may be waived, modified, amended, or discharged, or terminated except by an instrument in writing signed by the Parties, and then only to the extent set forth in such writing.

23. Force Majeure. Neither party hereto shall be considered in default in the performance of its obligation hereunder to the extent that the performance of any such obligation, except the payment of money, is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected party, or by a strike, lockout or other labor difficulty, the settlement of which shall be within the sole discretion of the party involved. Each party hereto shall give notice promptly to the other of the nature and extent of any Force Majeure claimed to delay, hinder or prevent performance of the services under this Agreement. In the event either party is prevented or delayed in the performance of its respective obligation by reason of such Force Majeure, there may be an equitable adjustment of the schedule and Consultant compensation.

24. Governing Law and Venue. This Agreement shall be governed and construed in accordance with the laws of the State of California. The Parties hereby agree that: (a) if any action is brought for the purpose of enforcing any provision of this Agreement, including without limitation instituting any action or proceeding to enforce any provision of this Agreement, for damages by reason of any alleged breach of any provision of this Agreement, or a declaration of rights or obligations under this Agreement, or for any other judicial remedy, then such action shall be brought only in the appropriate state or federal court located in Santa Cruz County, California; and (b) a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this section shall affect or impair any Party's right to serve legal process in any manner permitted by law.

25. Notices. Any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon either Party in connection with this Agreement shall be in writing. Such notice shall be personally served or sent prepaid by registered or certified mail with return receipt requested, or sent by reputable overnight delivery service, such as Federal Express, and shall be deemed given: (a) if personally served, when delivered to the Party to whom such notice is addressed; (b) if given by prepaid or certified mail with

return receipt requested, on the date of execution of the return receipt; or (c) if sent by reputable overnight delivery service, such as Federal Express, when received. Such notices shall be addressed to the Party to whom such notice is to be given at the Party's address set forth below or as such party shall otherwise direct in writing to the other Party delivered or sent in accordance with this Section.

If to PVWater:

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

If to Consultant:

Amah Mutsun Land Trust
Attention: Valentin Lopez
2460 17th Avenue #1019
Santa Cruz, CA 95076

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

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

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

29. Counterparts. This Agreement may be executed in counterparts, which, together, shall constitute one and the same instrument. Electronic, facsimile and scanned pdf signatures and copies of this Agreement shall be accepted as originals.

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

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

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

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

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

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above referenced.

PAJARO VALLEY WATER MANAGEMENT AGENCY

By: _____
Brian Lockwood, General Manager

AMAH MUTSUN LAND TRUST

By: _____
Valetin Lopez, Chairperson

Exhibit "A"

Scope of Work

Tribal Monitoring Requirements from CRMMP

Prior to the start of construction activities, PV Water will contract with a local Native American monitor who is from a Tribe that is culturally and geographically affiliated with the Project area (Mitigation Measure CUL -1g).

The Tribal monitor will provide monitoring services during all construction activities called on in the Cultural Resources Monitoring and Mitigation Plan (CRMMP). The Native American monitor shall work in conjunction with the archaeological monitor and will have the authority to temporarily halt construction in the event that cultural resources are identified.

The Native American Monitor will be invited to conduct full-time Native American monitoring of ground disturbance in the red and black dashed areas shown on the attached figures (Attachment 1) and during any subsurface investigation and data recovery for discovered resources that are Native American in origin (if required).

The Native American monitor will be invited to review draft documents prepared by the qualified archaeologist including, but no limited to, the draft Archaeological Resources Monitoring Report and any Archaeological Resources Data Recovery and Treatment Plans, if these are required and the resource in question is Native American in origin. For each document, PV Water will send the draft document to the Native American monitor for review. The Native American monitor will have 30 days to review and respond with comments to PV Water. Additional rounds of Native American document review may be allowed at the discretion of PV Water.

Caltrans Tribal Monitoring Requirements

In addition to monitoring areas called out in the CRMMP, the Tribal monitor will provide monitoring according to the guidance provided in the Monitoring and Discovery Plan created for Caltrans District 5.

The Native American Monitor will be responsible for monitoring all Project-related ground disturbance within the Caltrans ROW (Attachment 2); adhering to the requirements of the Plan; communicating with construction crews; assisting with implementation of discovery procedures and protocols, as needed; and initiating temporary construction halts or diversions due to noncompliance issues, clarifications, or discoveries. Native American Monitors will have the authority to halt equipment/work activities within 50 feet of a discovery until it has been inspected and a course of action determined in consultation with the Qualified Archaeologist, Caltrans Archaeologist, and Native American representatives.

Native American monitors will notify their respective tribe of any discoveries.

Native American Monitors will maintain logs in accordance with the customs and practices of their respective Tribe.

Amah Mutsun Land Trust

Native Archaeological Monitoring Contract Provisions

Effective January 1, 2023

- **Labor Rates**. Labor time is rounded up to the nearest quarter of an hour.
  Native Monitor Hourly Rate $100 per hour
  AMLT Archeological Specialist $150 per hour

- **Commencement of Hourly Billing**. Billing for labor begins at the time when the client requests the Native Monitor to arrive on the work site and ends at the time when the client requests the Native Monitor to leave the work site. This includes lunch time and any other breaks the work crew may take during the workday.

- **Minimum Billing Rate**. There is a minimum labor billing time of four (4) labor hours per day. Mileage rates, Overnight Accommodations, daily per diem, may still apply.

- **48-Hours' Notice**. AMLT requires a minimum 48 hours' notice to properly secure and schedule onsite Native Monitor to respective jobsite locations.

- **Last Minute Native Monitor Request**. If a request is made for a Native Monitor within 48 hours of the commencement of work, and AMLT cannot provide a Native Monitor, a fee of 2 extra hours of billing will be accrued. AMLT will make every effort to provide support but cannot guarantee the ability to accommodate such a request on short notice.

- **48-Hour Cancellation**. In case of work cancellation, the Native Archeological Monitoring Coordinator ("NAMC") should be informed 48 hours before the canceled workday. If the NAMC is not informed of the cancellation before the 48-hour cancellation, a minimum labor billing time of 4.0 hours will apply. If a Native Monitor arrives on site for work on a day when Native monitoring work has been canceled without notice to the NAMC or is not needed, mileage reimbursement and the minimum billing rate shall apply.

- **Mileage Reimbursement**. Travel using a personal vehicle will be reimbursed at the current federal mileage rate. The Native Monitor will keep a mileage log of travel using a personal vehicle. Rates will be calculated from the Native Monitor's lodging location.

- **Per Diem Fee**. Meals and Incidentals for the Native Monitor will be covered up to the United States General Service Administration standard rate listed below. If the Native Monitor resides more than (75) miles from the project location, AMLT may choose to arrange local lodging for the Native Monitor. If AMLT arranges local lodging, AMLT may request lodging reimbursement at the United States General Service Administration standard rate listed below for local lodging. Lodging may be provided for each night prior to a scheduled workday. Alternatively, the client

may choose to arrange local lodging for the Native Monitor directly and in coordination with AMLT, in which case the client will cover actual local lodging costs. Mileage to and from the Native Monitor's residence and the local lodging, as well as to and from the local lodging and the work site, will be reimbursable.

https://www.gsa.gov/travel/plan-book/per-diem-rates

- **Off Road Access Rental Vehicle**. If the work location requires a four-wheel-drive vehicle for access, the client will provide transportation or reimbursement for the cost of renting a four-wheel-drive vehicle if requested by AMLT.

EXHIBIT "B"

Insurance Requirements

Consultant shall procure and maintain insurance as follows:

1. Commercial General Liability Insurance. Commercial general liability insurance, including products and completed operations, property damage, bodily injury, personal and advertising injury with limits of not less than $1,000,000 each occurrence and $2,000,000 aggregate. (Note: Increase amounts for higher risk services)

2. Automobile Liability Insurance. Automobile liability insurance covering automobile bodily injury and property damage, including all owned (if any), hired and non-owned autos, with limits of not less than $1,000,000 each accident. If Consultant acquires any owned vehicles, Consultant shall provide insurance as above.

3. Professional Liability Insurance. Limits of liability in amounts not less than $1,000,000 per occurrence or claim and $2,000,000 aggregate, insuring Consultant and its employees against liabilities arising out of or in connection with the negligent acts, errors, or omissions of any of the foregoing in connection with the carrying out of their professional responsibilities relating to this Agreement. Consultant shall renew continuous coverage or extend the reporting period, to the extent available, by endorsement or otherwise, for claims five (5) years from the date this Agreement is terminated. Such professional liability policies shall include coverage for liability assumed by the Consultant under this Agreement for losses arising out of Consultant's negligence.

4. Workers' Compensation and Employer's Liability Insurance. Worker's Compensation as required by the Labor Code of the State of California and Employer's Liability Insurance for all employees in workplaces involved in this Agreement. Employer's liability insurance in the amount of, at least, $1,000,000 per accident for bodily injury or disease. The Certificate of Insurance shall include **Waiver of Subrogation endorsement** in favor of PV WATER.

5. Other Requirements.

   a. Additional Insured Endorsement. The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions: **The Pajaro Valley Water Management Agency, its directors, officers, employees, and authorized volunteers are to be additional insured**. The coverage shall contain no special limitations on the scope of protection afforded to PV WATER, its directors, officers, employees, or authorized volunteers.

   b. Primary Insurance. For any claims related to this Agreement, Consultant's insurance shall be primary insurance as respects PV WATER, its directors,

officers, employees, and authorized volunteers, individually and collectively. Any insurance, self-insurance, or other coverage maintained by PV WATER, its directors, officers, employees, or authorized volunteers shall be in excess of Consultant's insurance and shall not contribute to it.

c. Cancellation. The policies specified above are to state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to PV WATER.

d. Changes. If any change is made in the insurance carrier, scope of coverage or retroactive date of professional liability coverage required under this Agreement, Consultant shall notify the PV WATER within three (3) working days.

e. Evidence of Insurance. Prior to execution of this Agreement, Consultant shall file with PV WATER, on forms acceptable to PV WATER, certificate(s) of insurance and additional insured endorsements, as specified above.

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

g. Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-VII or equivalent or as otherwise approved by PV WATER.

h. Special Risks or Circumstances.
PV WATER reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

i. FOR CONSTRUCTION CONTRACTS additional requirements may apply:
Consultant shall provide the following Surety Bonds:
- Bid bond
- Performance bond
- Payment bond

The Payment Bond and the Performance Bond shall be in a sum equal to the contract price. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

Builder's Risk (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no

coinsurance penalty provisions. Such coverage shall **name PV WATER as a loss payee** as their interest may appear.

Contractors' Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than $1,000,000 per occurrence or claim, and $2,000,000 policy aggregate.

Production Monthly Summary as of May 2023

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	0.01	0.09	0.00	97.17	207.76								**305.02**
Coastal Distribution System (CDS):													
Well Production													
Recovery Wells Sub Total	1.22	3.56	1.00	4.38	9.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**19.98**
Blend Wells													
SW #1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
SW #2	0.12	5.55	0.00	33.47	73.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**112.16**
Blend Wells Subtotal	0.12	5.55	0.00	33.47	73.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**112.16**
RWF Blend (See Breakdown Below)	29.29	66.43	25.22	307.59	355.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**783.55**
CDS Total	30.63	75.54	26.22	345.44	437.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**915.69**

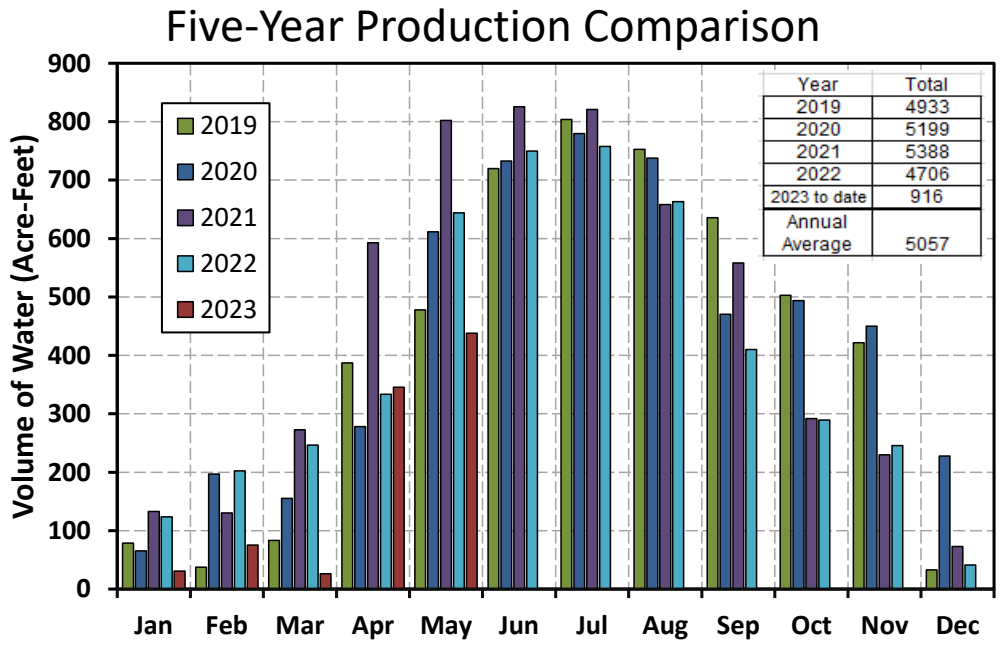
Approximate Recycled Water Blend Breakdown:

Estimated Recycled Water	29.28	63.55	24.88	260.60	290.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	668.60
RWF No_1 (potable)	0.00	2.88	0.34	46.99	64.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	114.95

* 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

2023 Production Percentages:			
Recovery Wells	**Supplemental Wells**	**Recycled Water**	**Potable Water**
2%	**12%**	**73%**	**13%**



*Preliminary, Subject to Revision

June 2023 MEETING			
RECEIVED			
DATE	**TO**	**FROM**	**SUBJECT**
6/12/2023	**Property Owner**	**County of Santa Cruz**	**2023 Pavement Management Project Notice of Upcoming Work**

DocuSign Envelope ID: F502BB26-8D8C-482B-850D-FB624DFC18B1

County of Santa Cruz

Department of Community Development and Infrastructure

701 Ocean Street, Fourth Floor, Santa Cruz, CA 95060
Planning (831) 454-2580 Public Works (831) 454-2160
sccoplanning.com dpw.co.santa-cruz.ca.us

Matt Machado - Deputy CAO / Director

Carolyn Burke	Stephanie Hansen	Kent Edler	Steve Wiesner	Travis Cary	Kim Moore
Assistant Director	Assistant Director	Assistant Director	Assistant Director	Director	Assistant Director
Permit Division	Housing & Policy	Special Services	Transportation	Capital Projects	Administration

2023 PAVEMENT MANAGEMENT PROJECT
NOTICE OF UPCOMING WORK

You are receiving this letter because your property is either located on or is accessed by a County road which will be resurfaced this summer. The purpose of this letter is to let you know about the upcoming work and what to expect.

Project work will encompass several phases: First existing roadway striping will be removed and select areas of patchwork will be done, followed by 1-3 layers of roadway seal (seals will be done in stages with typically days or weeks without construction work between each seal coat), and finally restriping of the roadway. Some roads will also receive asphalt leveling courses or overlays before or after one or more layers of seal have been placed. There will be disruptions to traffic and some short duration road closures (up to a few hours to allow for curing of certain types of seal). The project Contractor will provide advance notice in the form of door hangars to advise of any such closures.

For informational purposes we are enclosing a project roads list and vicinity maps of work, this information will also be on the project website and signs posted in the area of work. Also enclosed is a detail showing roadway seal work edge limits. This is provided as a reference for homeowners and residents as this issue has caused confusion in past projects. In cases where a road is bound by a curb & gutter or similar edge restraint, the County maintained road limit ends at the road/gutter interface. In cases where there is no gutter or edge restraint, the County maintains the road surface that was originally built and accepted by the County. We often find that over time property owners have extended the asphalt along their frontage for parking or other purposes, any such privately built extensions are not a part of the County Road and will not be resurfaced by the County.

In the interest of minimizing disruption, we have created a project website which will be kept up to date with details on the project including scheduling of the various phases of work so that you may plan around construction activities to avoid getting stuck in traffic:

https://www.sccroads.org/

We would also like to provide you with contact information for the key personnel overseeing this work in case you would like to discuss any specific concerns not addressed on the project website. Granite Rock Company will be the prime contractor for this work, their project Superintendent will be Gary Hartranft who can be reached at (831) 278-2310.

DocuSign Envelope ID: F502BB26-8D8C-482B-850D-FB624DFC18B1

We apologize in advance for any inconvenience our project may cause you. We will try to keep disruption to a minimum but there will be some unavoidable disruption during construction. Please be patient as we improve your road.

Yours truly,

MATT MACHADO
Deputy CAO
Director of Community Development
& Infrastructure

By: DocuSigned by: Casey Carlson FE628177BE83475...
Casey Carlson
Senior Civil Engineer

CRC:rz

Copy to: Casey Carlson
Carisa Duran
Mark Christensen

2023 PMP Outreach Letter.doc

DocuSign Envelope ID: F502BB26-8D8C-482B-850D-FB624DFC18B1

County of Santa Cruz

Department of Community Development and Infrastructure

701 Ocean Street, Fourth Floor, Santa Cruz, CA 95060
Planning (831) 454-2580 Public Works (831) 454-2160
sccoplanning.com dpw.co.santa-cruz.ca.us

Matt Machado - Deputy CAO / Director

Carolyn Burke	Stephanie Hansen	Kent Edler	Steve Wiesner	Travis Cary	Kim Moore
Assistant Director	Assistant Director	Assistant Director	Assistant Director	Director	Assistant Director
Permit Division	Housing & Policy	Special Services	Transportation	Capital Projects	Administration

2023 PAVEMENT MANAGEMENT PROJECT
NOTICE OF UPCOMING WORK

Usted está recibiendo esta carta porque su propiedad está ubicada o se accede a ella por una carretera del condado que será repavimentada este verano. El propósito de esta carta es para informarle sobre el próximo trabajo y qué esperar.

El trabajo del proyecto abarcará varias fases: Primero se quitarán las franjas viales existentes y se realizarán parches en áreas seleccionadas, seguidas de 1 a 3 capas de sellado vial (los sellos se realizarán en etapas, normalmente con días o semanas sin trabajo de construcción entre cada capa de sellado), y finalmente volver a pintar las franjas viales. Algunas carreteras también recibirán nivelación de asfalto o superposiciones antes o después de que se hayan colocado una o más capas de sellado. Habrá interrupciones en el tráfico y algunos cierres de carreteras de corta duración (por unas pocas horas para permitir el curado de ciertos tipos de sellos). El Contratista del proyecto proporcionará un aviso previo en forma de folletos en sus puertas para informar sobre dichos cierres.

Con fines informativos, le incluimos en esta carta una lista de caminos del proyecto y mapas de trabajo de la vecindad, esta información también estará en el sitio web del proyecto y se colocarán letreros en las áreas de trabajo. También se incluye un detalle que muestra los límites del borde del trabajo del sellado. Esto se proporciona como referencia para propietarios y residentes, ya que este problema ha causado confusión en proyectos anteriores. En los casos en que un camino está delimitado por un bordillo y cuneta o una restricción de borde similar, el límite de mantenimiento de la carretera por el Condado termina en la interfaz entre la carretera/cuneta. En los casos en que no haya canaletas o bordes, el Condado mantiene la superficie de la carretera que fue originalmente construida y aceptada por el Condado. Muchas veces encontramos que, con el tiempo, los propietarios han extendido el asfalto a lo largo de su frente para estacionamiento u otros fines, tales extensiones construidas de forma privada no son parte de la carretera del Condado y no serán repavimentadas por el Condado.

Con el fin de minimizar las interrupciones, hemos creado un sitio web para el proyecto que se mantendrá actualizado con detalles, incluyendo la programación de las distintas fases del trabajo, de modo que pueda planificar las actividades de construcción para evitar quedarse atascado en el tráfico:

https://www.sccroads.org/

También nos gustaría brindarle la información de contacto del personal clave que supervisa este trabajo en caso de que desee analizar cualquier inquietud específica que no se aborde en el sitio web del

DocuSign Envelope ID: F502BB26-8D8C-482B-850D-FB624DFC18B1

proyecto. Granite Rock Company será el contratista principal para este trabajo, su superintendente del proyecto será Gary Hartranft, a quien se puede contactar al (831) 278-2310.

Le pedimos disculpas de antemano por cualquier inconveniente que nuestro proyecto pueda causarle. Intentaremos mantener las interrupciones a lo mínimo, pero habrá algunas interrupciones inevitables durante esta construcción. Ténganos paciencia mientras mejoramos su camino.

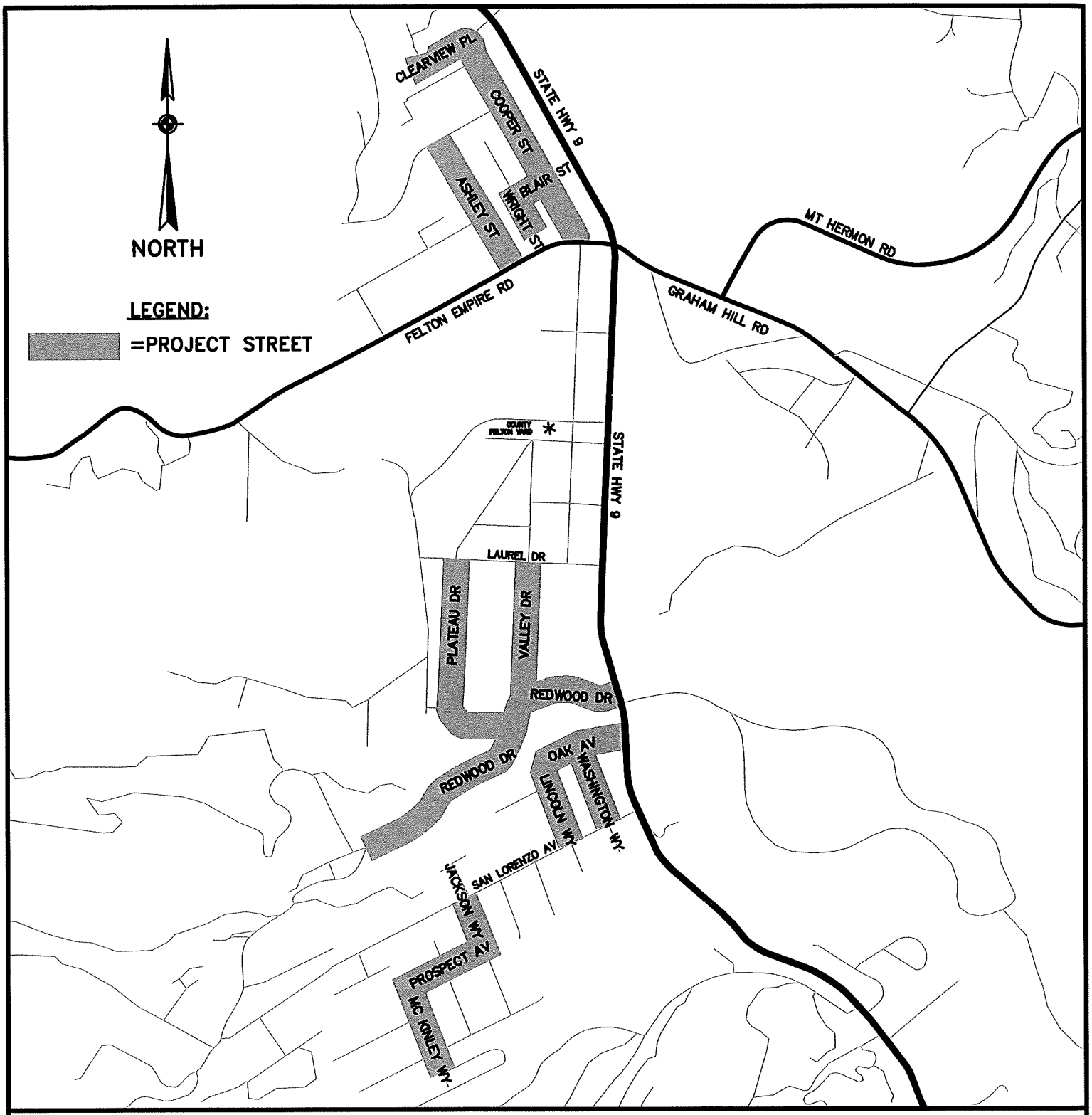
Atentamente,

MATT MACHADO
Diputado CAO, Director
de Desarrollo Comunitario e Infraestructura

Por: DocuSigned by: Casey Carlson FE628177BE83475...
Casey Carlson
Ingeniero Civil Superior

CRC:va

Copia: Casey Carlson
Carisa Duran
Mark Christensen

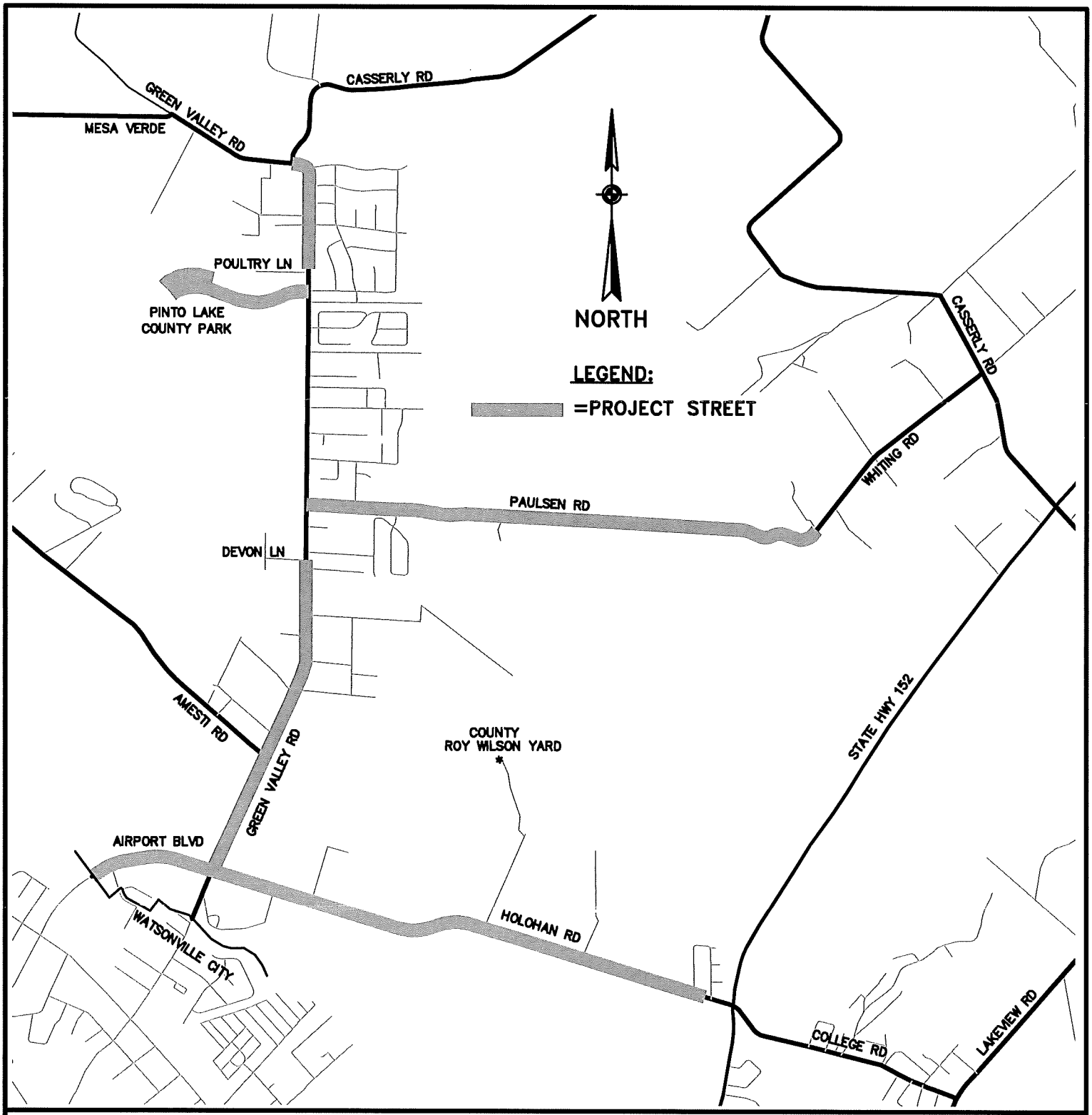


2023 MEASURE D PROJECT

VICINITY MAP

DISTRICT 5 ROADWAYS (FELTON)

DESIGN:	DAM/CRC	DATE:	12/21/22	SHEET
DRAFTING:	DAM	SCALE:	1"=1000'	D5.1
CHECKED:	CRC	JOB NO:	_	

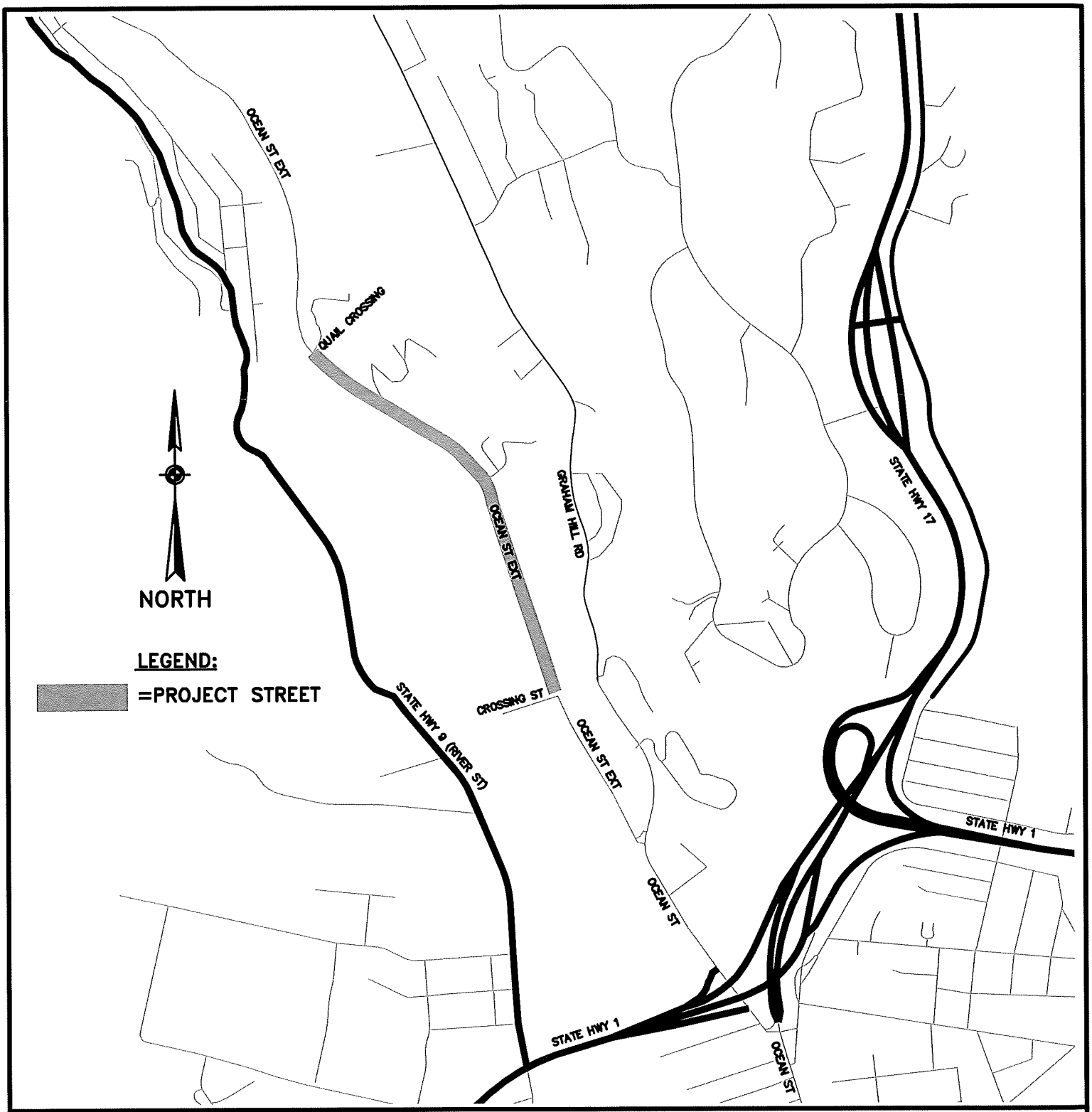


2023 MEASURE D PROJECT

VICINITY MAP

DISTRICTS 2 & 4 ROADWAYS

DESIGN:	DAM/CRC	DATE:	12/21/22	SHEET
DRAFTING:	DAM	SCALE:	1"=2000'	D4
CHECKED:	CRC	JOB NO:	_	

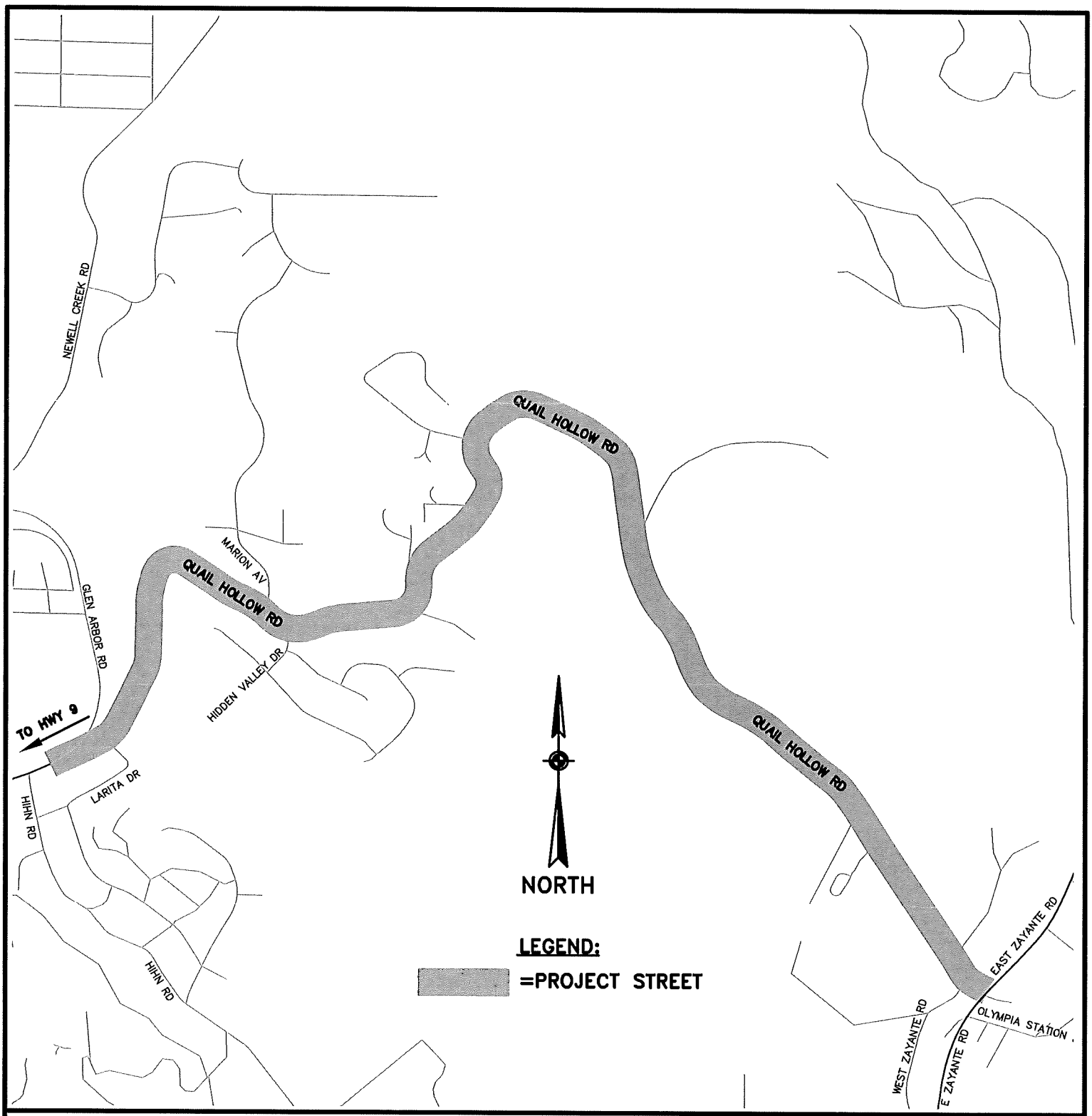


2023 MEASURE D PROJECT

VICINITY MAP

DISTRICT 5 ROADWAYS (OCEAN ST EXT)

DESIGN:	DAM/CRC	DATE:	12/21/22	SHEET
DRAFTING:	DAM	SCALE:	1"=1000'	D5.3
CHECKED:	CRC	JOB NO:	_	

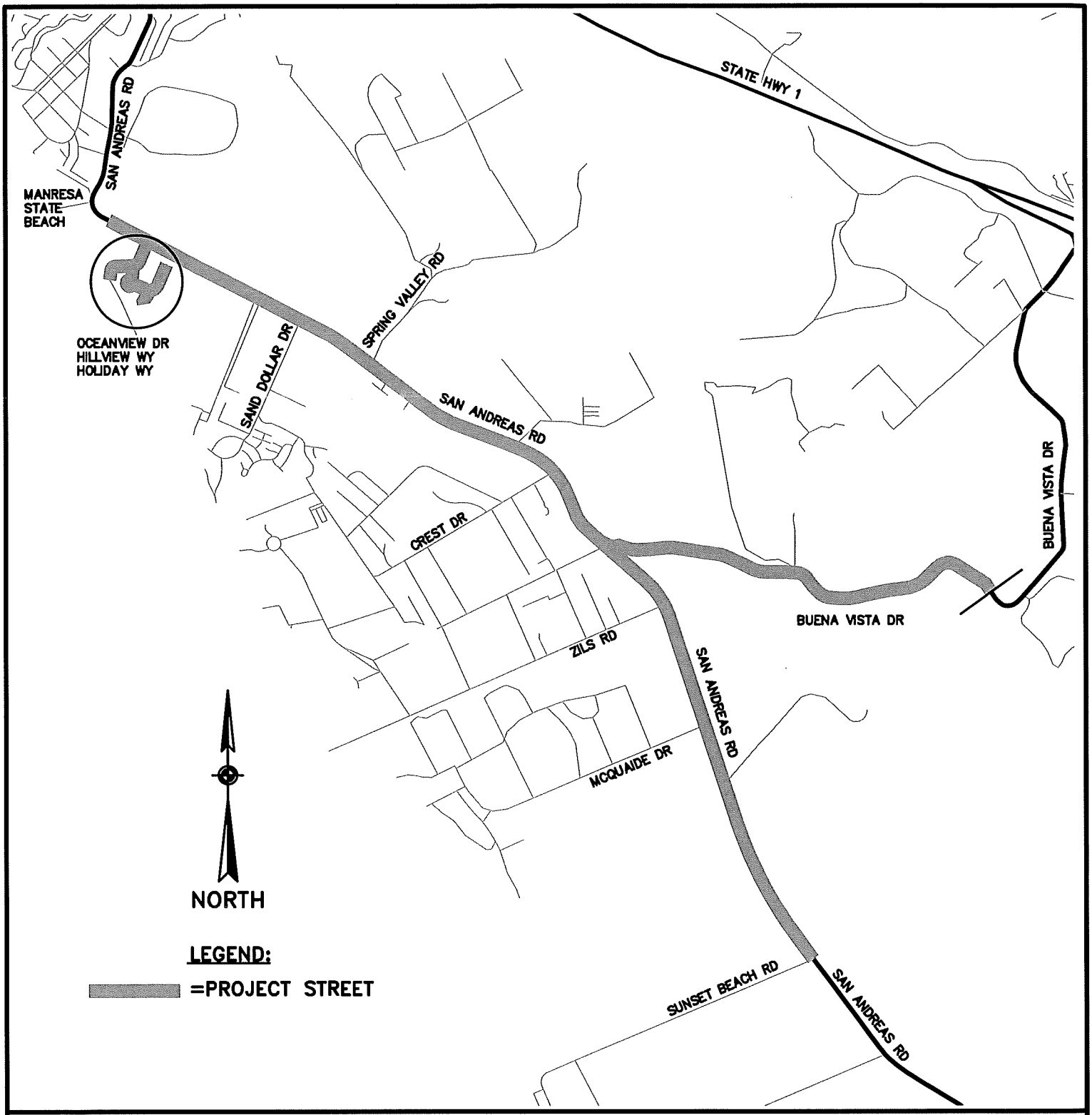


2023 MEASURE D PROJECT

VICINITY MAP

DISTRICT 5 ROADWAYS (QUAIL HOLLOW)

DESIGN:	DAM/CRC	DATE:	12/21/22	SHEET
DRAFTING:	DAM	SCALE:	1"=1000'	D5.2
CHECKED:	CRC	JOB NO:	_	

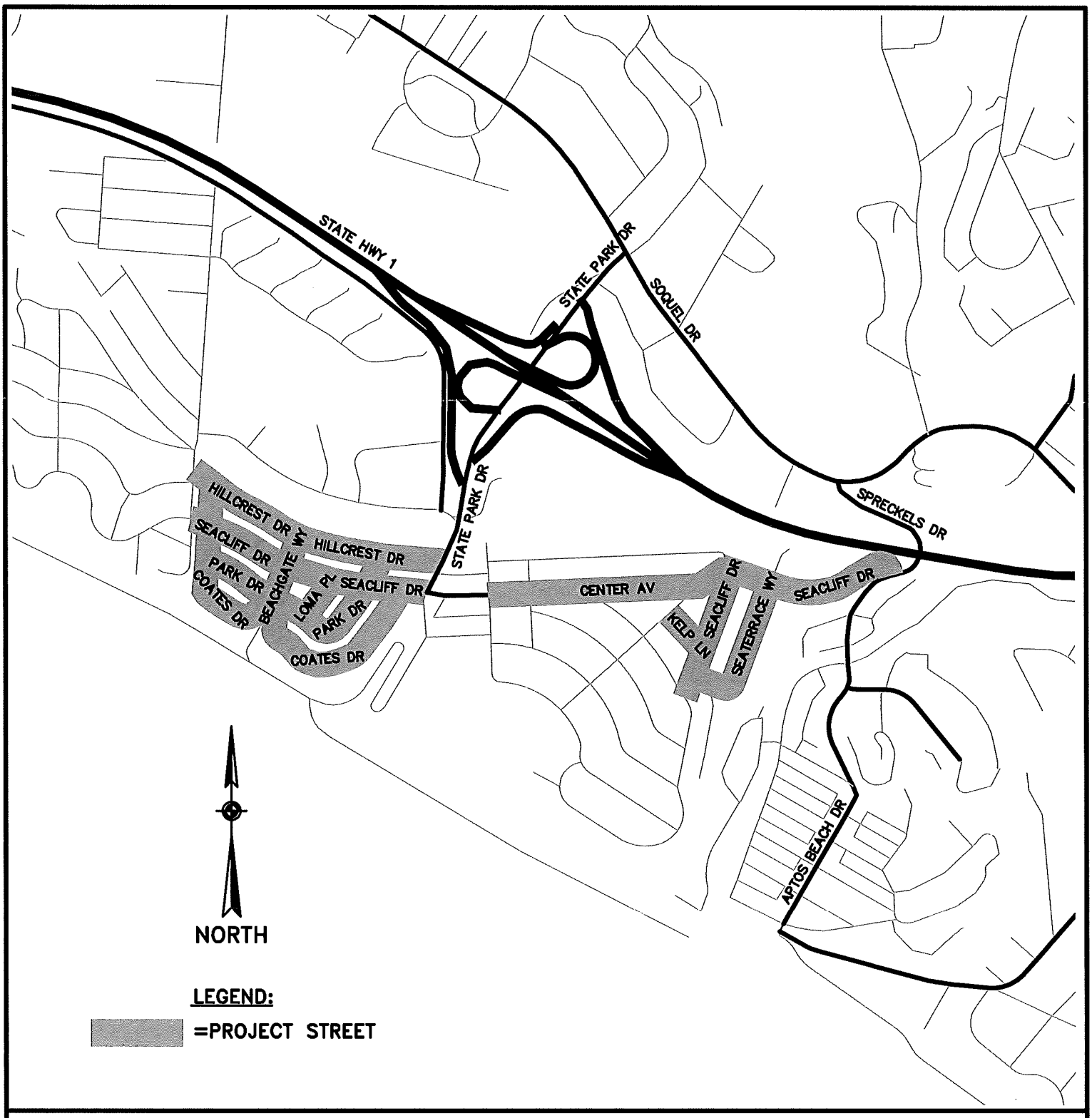


2023 MEASURE D PROJECT

VICINITY MAP

DISTRICT 2 ROADWAYS (SAN ANDREAS)

DESIGN:	DAM/CRC	DATE:	12/21/22	SHEET
DRAFTING:	DAM	SCALE:	1"=2000'	D2.2
CHECKED:	CRC	JOB NO:	_	



2023 MEASURE D PROJECT

VICINITY MAP

DISTRICT 2 ROADWAYS (SEACLIFF)

DESIGN:	DAM/CRC	DATE:	12/21/22	SHEET
DRAFTING:	DAM	SCALE:	1"=800'	D2.1
CHECKED:	CRC	JOB NO:	_	

2023 Pavement Management Project - Roads List					
Road Name	**BegLocation**	**EndLocation**	**District**	**Treatment**	**Length (mi)**
HILLCREST DR	STATE PARK DR	MAR VISTA DR	2	3-Layer w/ 3% Digouts	0.29
COATES DR	HILLCREST DR	SEACLIFF DR	2	3-Layer w/ 3% Digouts	0.42
SEACLIFF DR (N)	STATE PARK DR	MAR VISTA DR	2	3 Layer w/10% Digouts	0.28
PARK DR	COATES DR	HILLCREST DR	2	3-Layer w/ 3% Digouts	0.25
BEACHGATE WY	COATES DR	W SEACLIFF DR	2	3-Layer w/ 3% Digouts	0.05
BEACHGATE WY	W SEACLIFF DR	HILLCREST DR	2	3-Layer w/ 3% Digouts	0.03
LOMA PL	W SEACLIFF DR	PARK DR	2	3-Layer w/ 3% Digouts	0.05
SEA TERRACE WY	SEACLIFF DR	SEACLIFF DR	2	Rubber Cape w/10% Digouts	0.10
CENTER AV	BROADWAY	EL CAMINO DEL MAR	2	Rubber Cape w/10% Digouts & 25% Spot Micro	0.23
SEA CLIFF DR	SPRECKLES DR	SANTA CLARA AV	2	Rubber Cape w/10% Digouts & Spot AC Leveling	0.34
KELP LN	EL CAMINO DEL MAR E	SEACLIFF DR	2	Rubber Cape w/10% Digouts	0.05
OCEANVIEW DR SB	HILLVIEW WY	ECM	2	3-Layer w/ 10% Digouts	0.11
OCEANVIEW DR NB	HILLVIEW WY	SAN ANDREAS RD	2	Rubber Cape Seal	0.05
HILLVIEW WY	OCEANVIEW DR	S END	2	Rubber Cape w/ 3% Digouts & 25% Spot Micro	0.13
HILLVIEW WY (CIRCLE)	HILLVIEW WY	HILLVIEW WY	2	Rubber Cape w/ 10% Digouts	0.04
HOLIDAY DR	HILLVIEW WY	N END	2	Rubber Cape w/1% Digouts	0.10
BUENA VISTA DR	OLD LANDFILL ENTRANCE	POST MILE 4.5	2	Rubber Chip SAMI w/ 2" AC OL, 5% Digouts, & Spot Micro	0.96
BUENA VISTA DR	POST MILE 4.5	SAN ANDREAS RD	2	Rubber Chip SAMI w/ 2" AC Overlay & 5% Digouts	0.22
SAN ANDREAS RD	365' S/O MANRESA STATE BEACH	OCEANVIEW DRIVE	2	Rubber Chip SAMI w/ 1.5" AC, 3% Digouts, & Spot Micro	0.16
SAN ANDREAS RD	OCEANVIEW DR	SPRING VALLEY RD	2	Rubber Chip SAMI w/ 1.5" AC, 3% Digouts, & Spot Micro	0.71
SAN ANDREAS RD	SPRING VALLEY RD	ZILS RD	2	Rubber Chip SAMI w/ 1.5" AC, 3% Digouts, & Spot Micro	1.07
SAN ANDREAS RD	ZILS RD	SUNSET BEACH RD	2	Rubber Chip SAMI w/ 1.5" AC, 3% Digouts, & Spot Micro	1.07
AIRPORT BLVD	WATSONVILLE CL	E SIDE CORRALITOS CR BRDG	2	Slurry Seal	0.14
AIRPORT BLVD	E SIDE CORRALITOS CR BRDG	GREEN VALLEY RD	2	3-Layer Seal	0.21
GREEN VALLEY RD	HOLOHAN RD	COWLES ST	2 & 4	Rubber Cape w/ 75% Spot Micro	0.41
GREEN VALLEY RD	COWLES ST	DICK PHELPS RD	2 & 4	Rubber Cape w/ 75% Spot Micro	0.23
GREEN VALLEY RD	DICK PHELPS RD	DEVON LN	2 & 4	Rubber Cape w/ 1% Digouts & 75% Spot Micro	0.25
GREEN VALLEY RD	50' N/O POULTRY LN	CASSERLY RD	2 & 4	Rubber Cape w/ 5% Digouts	0.33
PINTO LAKE PARK*	GREEN VALLEY RD	END	-	Slurry Seal w/ 5% Digouts (Entry Road and Parking Lot)	-
PAULSEN RD	GREEN VALLEY RD	PAULSEN BRIDGE	4	Rubber Chip SAMI w/ 2" AC Overlay & 2% Digouts	1.06
HOLOHAN RD	GREEN VALLEY RD	MILE 1.0	4	Rubber Cape w/ 1% Digouts	0.50
HOLOHAN RD	MILE 1.0	420' w/o HWY 152	4	Rubber Cape w/ 1% Digouts	0.89
COOPER ST	FELTON EMPIRE RD	CLEARVIEW PL	5	Rubber Cape w/ 5% Digouts	0.32
ASHLEY ST	FELTON EMPIRE RD	FARMER ST	5	Rubber Cape w/ 10% Digouts	0.21
BLAIR ST	COOPER ST	WRIGHT ST	5	Rubber Cape w/ 45% Digouts	0.04
WRIGHT ST	BLAIR ST	ECM/PVT SIGN	5	Rubber Cape w/ 5% Digouts	0.06
CLEARVIEW PL	COOPER ST	W END	5	Rubber Cape w/ 10% Digouts	0.07
REDWOOD DR	HWY 9	HILLCREST DR	5	Rubber Cape w/ 5% Digouts	0.47
PLATEAU DR	LAUREL DR	REDWOOD DR	5	Rubber Cape w/ 5% Digouts	0.31
VALLEY DR	REDWOOD DR	LAUREL DR	5	Rubber Cape w/ 10% Digouts	0.19
LINCOLN WY	OAK AV	SAN LORENZO AV	5	Rubber Cape w/ 10% Digouts	0.13
WASHINGTON WY	SAN LORENZO AV	OAK AV	5	Rubber Cape w/ 15% Digouts	0.12
OAK AVE	HWY 9	LINCOLN WY	5	Rubber Cape w/ 10% Digouts & Spot AC Leveling	0.11
JACKSON WAY	SAN LORENZO AV	PROSPECT AV	5	Rubber Cape w/ 2% Digouts	0.07
PROSPECT AV	JACKSON WY	MCKINLEY WY	5	Rubber Cape w/ 1% Digouts	0.12
MCKINLEY WY	PROSPECT AV	GOLD AV	5	Rubber Cape w/ 5% Digouts & Spot AC Leveling	0.10
OCEAN STREET EXT	CROSSING ST	QUAIL CROSSING	5	Rubber Cape w/ 5% Digouts	0.61
QUAIL HOLLOW RD	GLEN ARBOR RD	E ZAYANTE RD	5	Slurry Seal w/ 5% Digouts	2.14

Total County Road Mileage: 15.80

Micro = Type 3 Microsurfacing Seal

3-Layer = 3-Layer Seal (Type 3 micro followed by rubber cape seal)

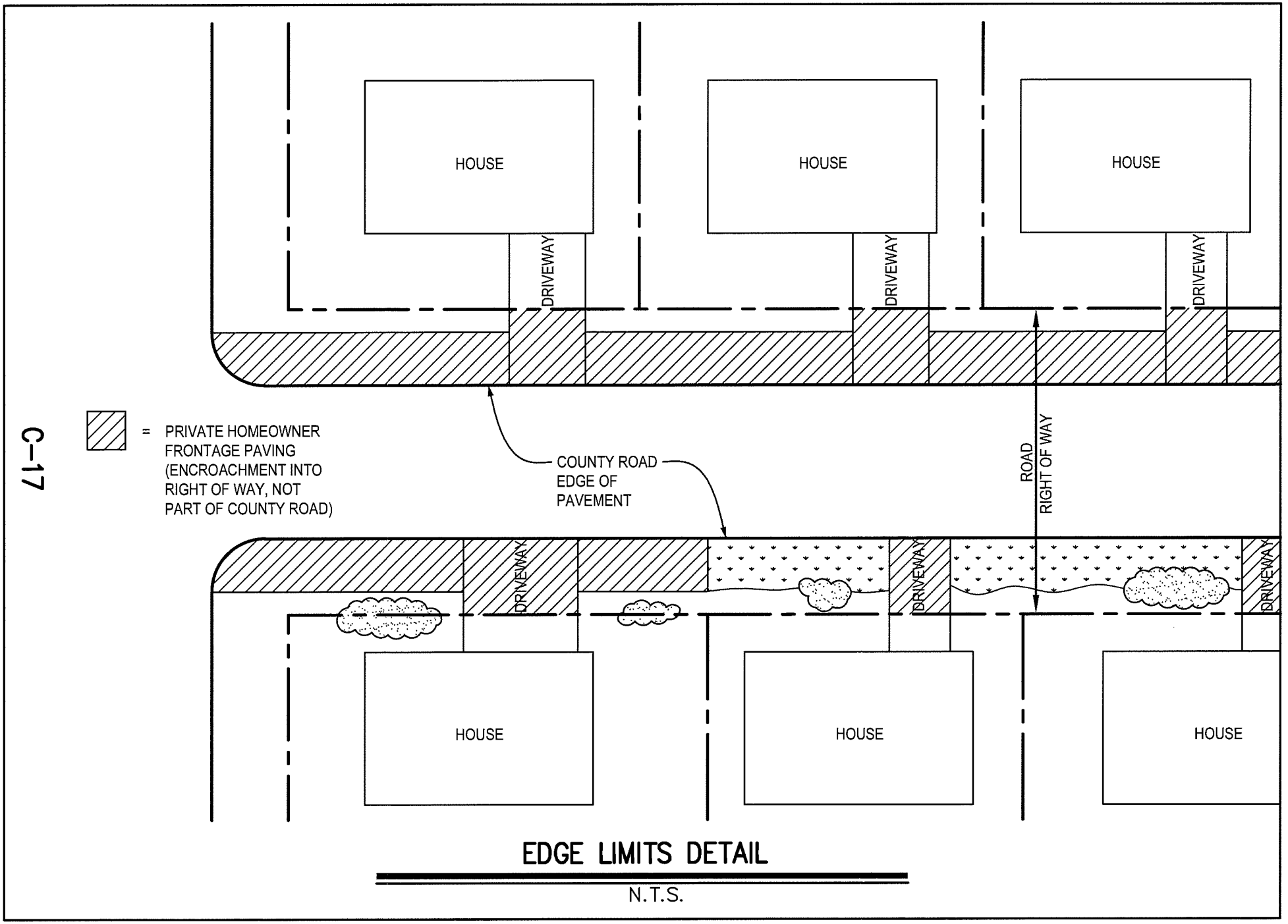
'Spot' indicates treatment type will be applied at designated areas only (not over entire roadway)

SAMI = Stress Absorbing Membrane Interlayer (rubber chip seal placed prior to AC overlay)

AC Leveling = AC Leveling Course (variable thickness AC overlay placed prior to surface treatment)

OL = Overlay

*Pinto Lake Park entry road and parking lot work on behalf of County Parks



EDGE LIMITS DETAIL

N.T.S.

C-17