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

Pajaro Valley
Water Management Agency

Proposed
Preliminary Budget
Fiscal Year 2023-2024

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Cover Photo:
Sunset and Harkins Slough Project Recovery Well, San Andreas Terrace
Shinehah Bigham, Water System Operator

PAJARO VALLEY WATER MANAGEMENT AGENCY
PROPOSED PRELIMINARY BUDGET
FISCAL YEAR 2023-2024

Introduction

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

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

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

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

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

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

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

The Fiscal Year 2023-2024 (FY23-24) budget allocates funding for PV Water to continue implementation of Board approved projects and management actions in order to fulfill its mission to achieve sustainable groundwater resources for the Pajaro Valley while maintaining agriculture. The budget serves as a projection of PV Water finances. The budget narrative describes key activities and important assumptions taken into account to develop the budget, including activities related to SGMA, BMP implementation, operations, and anticipated revenue.

Budget Organization

The budget is organized by the following service expense groups:

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

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

Revenues and Sources of Funds

PV Water is funded through:

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

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

PV Water levies a groundwater augmentation charge "on the extraction of groundwater from wells within the Agency's boundaries in order to pay the costs of purchasing, capturing, storing, and distributing supplement water and paying for activities required to prepare and implement the Agencies groundwater management program."[1] The rates for FY23-24 are provided in Table 1, below. Augmentation charge revenue is placed in the Special Revenue Fund category. This budget includes projected revenues of $11.7 million in augmentation charges.

PV Water collects a delivered water charge from customers who purchase supplemental water supplies. Supplemental water is comprised of recycled water from the Watsonville Area Recycled Water Facility, Harkins Slough Managed Aquifer Recharge & Recovery Facility, from blend water wells operated by the Agency, and the City of Watsonville's potable supply. The delivered water charge rate is shown in Table 1 and is $432 per acre-foot through November 30, 2023, and $454 per acre-foot effective December 1, 2023[2]. Revenue generated from the sale of delivered water is placed in the Special Revenue Fund category. The budget includes projected revenues of

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

$1.8 million in delivered water charges.

Table 1. Water Rates for Fiscal Year 2023-24

User Class	Cost of Service Rate Effective Dec. 1, 2022 (Unit Cost Per Acre-Foot)	Cost of Service Rate Effective Dec. 1, 2023
Augmentation Charges:		
Metered Users - Outside Delivered Water Zone	$282	$302
Metered Users - Inside Delivered Water Zone	$391	$420
Unmetered Users (Rural Residential)*	$132	$142
Delivered Water Charge	$432	$454

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

PV Water actively seeks state and federal grants, and low interest financing opportunities to support the planning and implementation of water supply projects and management actions. When successful, grants and other financial agreements (such as the Clean Water State Revolving Fund, or SRF) reimburse eligible expenses incurred during the planning and implementation of those funded projects and programs. Reimbursements are placed in the fund category from which they were originally spent. The budget includes projected grant reimbursement revenues of $5 million, primarily coming from a DWR "2021 Sustainable Groundwater Management (SGM) Grant Program Implementation Grant" in the amount of $7.6 million, and a $75,000 grant from the Bureau of Reclamation WaterSMART program. It also includes a projected $45 million in loan proceeds through the Water Infrastructure Finance and Innovation Act (WIFIA) program to fund project implementation.

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Table 2a. Summary by Service

Summary by Service July 1, 2023 to June 30, 2024						
	General Fund Fund 10	Special Revenue Fund Fund 20			Capital Projects Fund 30	Debt Service Fund 40
Revenues and Sources of Funds						
Management Fees	370,000					
Delivered Water		1,800,000				
Augmentation Charges		11,715,000				
Grant Revenue		5,000,000				
Debt Financing Proceeds		-			45,000,000	
Interest Income	75,000	300,000				
Other Revenue	115,000	25,000				
Total Revenue	**$ 560,000**	**$ 18,840,000**	**$ -**	**$ -**	**$ 45,000,000**	**$ -**
	Agency Administration	**General Administration**	**Facility Operations**	**Basin Management**	**Capital Projects**	**Debt Service**
Expenditures						
Wages & Benefits	42,050	990,889	959,049	336,430	483,002	-
Conferences/Training	8,000	6,000	4,500	3,500	-	-
Travel - Mileage - Meals - Lodging	17,000	10,500	2,000	8,000	-	-
Bank Charges/Bond Fees	50	20,000	20,000	-	-	-
Insurance	10,000	1,000	56,000	-	-	-
Taxes/Fees	250	24,000	29,000	-	65,000	-
Legal Notices & Ads	750	2,500	-	3,250	129,000	-
Dues & Subscription	34,000	5,500	2,500	500	-	-
Office Expense/Supplies	5,000	12,000	2,500	-	-	-
Postage	1,000	4,000	5,000	1,000	-	-
Printing	4,000	31,000	1,750	1,500	13,000	-
Utilities	4,000	8,200	342,000	-	-	-
Telephone/Communications	4,000	12,000	34,000	-	-	-
Office Equipment Leases	1,000	7,500	7,000	-	-	-
Well Leases	-	-	200,000	-	-	-
Field Supplies/Equipment	-	7,000	50,000	24,000	26,000	-
Elections	10,000	-	-	-	-	-
Legal Services	40,000	77,000	5,000	40,000	400,000	-
Professional Services	85,000	485,000	188,000	450,000	13,700,000	-
Meter Contractor	-	-	30,000	-	-	-
LAFCO District Fees	18,000	-	-	-	-	-
Collection Fee/Bad Debt	6,000	9,000	-	-	-	-
Special Projects Outreach	30,000	-	-	-	-	-
Facilities Maintenance	100,000	10,000	8,000	-	-	-
Land Acquisition	-	-	-	-	4,075,000	-
Information Technology	12,000	52,000	89,000	36,000	-	-
Licensed Contractors	-	-	400,000	15,000	62,200,000	-
Vehicle Maintenance	-	3,500	30,500	3,000	-	-
Vehicle Purchase	-	-	75,000	5,000	-	-
Meters	-	-	80,000	-	-	-
COW Reimb O&M	-	-	2,750,000	-	-	-
Rebates	-	125,000	100,000	-	-	-
City Connection Water Charges	-	-	600,000	-	-	-
Miscellanous (Uniforms/X-Band Radar)	-	5,000	-	-	-	-
Water Sampling	-	-	47,000	50,000	-	-
Bond Administration Fee	-	10,000	-	-	-	-
Debt Service	-	-	-	-	-	3,979,934
Total Expenditures	**$ 432,100**	**$ 1,918,589**	**$ 6,117,799**	**$ 977,180**	**$ 81,091,002**	**$ 3,979,934**
Total Revenue						
Excess of Revenues or (Deficit)						

Note: Totals may not tie due to rounding

Table 2b. Summary by Service (cont.)

Summary by Service
July 1, 2023 to June 30, 2024

	FY23-24 Proposed Budget	FY22-23 Adopted Budget	$ Diff	% Diff
Revenues and Sources of Funds				
Management Fees	370,000	375,000	(5,000)	-1.3%
Delivered Water	1,800,000	2,200,000	(400,000)	-18.2%
Augmentation Charges	11,715,000	13,000,000	(1,285,000)	-9.9%
Grant Revenue	5,000,000	5,000,000	-	0.0%
Debt Financing Proceeds	45,000,000	46,500,000	(1,500,000)	N/A
Interest Income	375,000	50,000	325,000	650.0%
Other Revenue	140,000	35,000	105,000	300.0%
Total Revenue	**$ 64,400,000**	**$ 67,160,000**	**$ (2,760,000)**	**-4.1%**

	FY23-24 Proposed Budget	FY22-23 Adopted Budget	$ Diff	% Diff
Expenditures				
Wages & Benefits	2,811,420	2,512,126	299,294	11.9%
Conferences/Training	22,000	20,000	2,000	10.0%
Travel - Mileage - Meals - Lodging	37,500	35,500	2,000	5.6%
Bank Charges/Bond Fees	40,050	90,050	(50,000)	-55.5%
Insurance	67,000	43,500	23,500	54.0%
Taxes/Fees	118,250	86,250	32,000	37.1%
Legal Notices & Ads	135,500	11,500	124,000	1078.3%
Dues & Subscription	42,500	40,000	2,500	6.3%
Office Expense/Supplies	19,500	19,500	-	0.0%
Postage	11,000	11,000	-	0.0%
Printing	51,250	36,750	14,500	39.5%
Utilities	354,200	343,200	11,000	3.2%
Telephone/Communications	50,000	28,000	22,000	78.6%
Office Equipment Leases	15,500	15,500	-	0.0%
Well Leases	200,000	200,000	-	0.0%
Field Supplies/Equipment	107,000	110,000	(3,000)	-2.7%
Elections	10,000	60,000	(50,000)	-83.3%
Legal Services	562,000	812,000	(250,000)	N/A
Professional Services	14,908,000	6,137,000	8,771,000	142.9%
Meter Contractor	30,000	24,000	6,000	25.0%
LAFCO District Fees	18,000	18,000	-	0.0%
Collection Fee/Bad Debt	15,000	17,000	(2,000)	0.0%
Special Projects Outreach	30,000	25,000	5,000	20.0%
Facilities Maintenance	118,000	68,000	50,000	73.5%
Land Acquisition	4,075,000	6,675,000	(2,600,000)	-39.0%
Information Technology	189,000	179,000	10,000	5.6%
Licensed Contractors	62,615,000	13,190,000	49,425,000	374.7%
Vehicle Maintenance	37,000	38,000	(1,000)	-2.6%
Vehicle Purchase	80,000	100,000	(20,000)	-20.0%
Meters	80,000	170,000	(90,000)	-52.9%
COW Reimb O&M	2,750,000	2,500,000	250,000	10.0%
Rebates	225,000	150,000	75,000	50.0%
City Connection Water Charges	600,000	600,000	-	N/A
Miscellanous (Uniforms/X-Band Radar)	5,000	12,500	(7,500)	N/A
Water Sampling	97,000	87,000	10,000	N/A
Bond Administration Fee	10,000	8,000	2,000	N/A
Debt Service	3,979,934	3,424,443	555,491	16.2%
Total Expenditures	**$ 94,516,604**	**$ 37,897,819**	**$ 56,618,785**	**59.9%**
Total Revenue	**64,400,000**	**67,160,000**	**$ (2,760,000)**	
Excess of Revenues or (Deficit)	**(30,116,604)**	**29,262,181**	**$ (59,378,785)**	

Note: Totals may not tie due to rounding.

Table 3. Budgeted Salary Expenditures, Overall Allocation

				General Fund Fund 10		Special Revenue Fund 20						Capital Projects Fund 30	
	Position	Total Salary & Benefits		Agency Admin		Admin Grants Conserv Ed & Outreach		Facility Ops		Basin Mngmnt		Capital Projects	
		Includes 10% Allowance for Non-Exempt		Total		Total		Total		Total		Total	
		%	$	%	$	%	$	%	$	%	$	%	$
Agency Administration													
1	General Manager	100%	336,244	2%	6,725	36%	121,048	6%	20,175	23%	77,336	33%	110,961
2	Finance & Administrative Services Manager	79%	222,924	2%	4,458	77%	171,652	0%	-	0%	-	0%	28,980
3	Financial Analyst	97%	152,415	2%	3,048	95%	144,794	0%	-	0%	-	0%	-
4	Administrative Analyst	69%	168,917	2%	3,378	67%	113,174	0%	-	0%	-	0%	52,364
5	Customer Service Rep	100%	155,662	2%	3,113	98%	152,548	0%	-	0%	-	0%	-
6	Account Clerk	100%	121,130	2%	2,423	98%	118,707	0%	-	0%	-	0%	-
Operations													
1	Water Meter Program Coordinator	100%	175,131	0%	-	3%	5,254	97%	169,877	0%	-	0%	-
2	Water System Operations Supervisor	80%	230,047	0%	-	5%	11,502	75%	172,535	0%	-	0%	46,009
3	Water System Operator	74%	202,717	0%	-	4%	8,109	70%	141,902	0%	-	0%	52,706
4	Vacant TBD	40%	200,381	2%	4,008	9%	18,034	14%	28,053	15%	30,057	0%	120,229
5	Operations-Maintenance Technician	100%	173,781	0%	-	0%	-	100%	173,781	0%	-	0%	-
6	Associate Hydrologist	86%	207,217	0%	-	11%	22,794	11%	22,794	64%	132,619	0%	29,010
7	Water Conservation & Outreach Specialist	72%	141,983	2%	2,840	58%	82,350	4%	5,679	8%	11,359	0%	39,755
8	Water Resources Technician	97%	99,592	0%	-	10%	9,959	34%	33,861	53%	52,784	0%	2,988
9	Field Technician	100%	94,651	0%	-	0%	-	100%	94,651	0%	-	0%	-
10	Maintenance Technician	100%	94,644	0%	-	0%	-	100%	94,644	0%	-	0%	-
11	Intern	100%	21,928	0%	-	50%	10,964	5%	1,096	45%	9,868	0%	-
	Total Staff Salaries/Benefits		2,799,363		29,993		990,890		959,048		314,023		483,003
	Board Members		12,057		12,057								
	Total Salaries & Benefits		**2,811,420**		**42,050**		**990,890**		**959,048**		**314,023**		**483,003**

Note: Totals may not tie due to rounding.

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General Fund
Agency Administration Service Expense Group Summary

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

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

Board Support
The Board Support portion of the budget provides funding for the Board of Directors and its Committees including elections, legal services, and agenda packet preparation, publication, and distribution. Funding for Directors to attend conferences and training is also included. No Director's seats are up for election in FY23-24.

Special Projects Outreach
Special Projects Outreach typically funds focused water awareness and education campaigns. Examples of prior projects include water conservation and drought awareness advertisements, especially in support of "Water Awareness Month." Staff have also worked with the Ag History Project at the Santa Cruz County Fairgrounds on water conservation displays and other educational materials.

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Table 4. Agency Administration Expenditures

Agency Administration July 1, 2023 to June 30, 2024				
	Office Administration	**Board Support**	**Outreach & Education**	**Total**
Expenditures				
Wages & Benefits	16,862	21,676	3,512	42,050
Conferences/Training	2,000	6,000	-	8,000
Travel - Mileage - Meals - Lodging	6,000	10,000	1,000	17,000
Bank Charges/Bond Fees	50	-	-	50
Insurance	10,000	-	-	10,000
Taxes/Fees	250	-	-	250
Legal Notices & Ads	750	-	-	750
Dues & Subscription	32,000	-	2,000	34,000
Office Expense/Supplies	5,000	-	-	5,000
Postage	1,000	-	-	1,000
Printing	4,000	-	-	4,000
Utilities	4,000	-	-	4,000
Telephone/Communications	4,000	-	-	4,000
Office Equipment Leases	1,000	-	-	1,000
Well Leases	-	-	-	-
Field Supplies/Equipment	-	-	-	-
Elections	-	10,000	-	10,000
Legal Services	25,000	15,000	-	40,000
Professional Services	80,000	-	5,000	85,000
Meter Contractor	-	-	-	-
LAFCO District Fees	18,000	-	-	18,000
Collection Fee/Bad Debt	6,000	-	-	6,000
Special Projects Outreach	-	-	30,000	30,000
Facilities Maintenance	100,000	-	-	100,000
Land Acquisition	-	-	-	-
Information Technology	12,000	-	-	12,000
Licensed Contractors	-	-	-	-
Vehicle Maintenance	-	-	-	-
Vehicle Purchase	-	-	-	-
Meters	-	-	-	-
COW Reimb O&M	-	-	-	-
Rebates	-	-	-	-
Crop Loss	-	-	-	-
City Connection Water Charges	-	-	-	-
Miscellanous (Uniforms/X-Band Radar)	-	-	-	-
Water Sampling	-	-	-	-
Bond Administration Fee	-	-	-	-
DWR Note Payable	-	-	-	-
SWRCB Loan	-	-	-	-
2015 Bond	-	-	-	-
2016 Bond	-	-	-	-
Total Expenditures	**$ 327,912**	**$ 62,676**	**$ 41,512**	**$ 432,100**

Note: Totals may not tie due to rounding.

Table 5. Budgeted Salary Expenditures, Fund 10 Detail

	Position	Total Salary & Benefits	General Fund 10							
			Agency Administration							
		Includes10% Allowance for Non-Exempt	Office Admin		Board Support		Special Projects Outreach		**Total**	
			%	$	%	$	%	$	%	$
Agency Administration										
1	General Manager	336,244	40%	2,690	50%	3,362	10%	672	100%	6,725
2	Finance & Administrative Services Manager	222,924	70%	3,121	30%	1,338	0%	-	100%	4,458
3	Financial Analyst	152,415	70%	2,134	30%	914	0%	-	100%	3,048
3	Administrative Analyst	168,917	50%	1,689	50%	1,689	0%	-	100%	3,378
4	Customer Service Rep	155,662	90%	2,802	10%	311	0%	-	100%	3,113
5	Account Clerk	121,130	100%	2,423	0%	-	0%	-	100%	2,423
Operations										
1	Water Meter Program Coordinator	175,131	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	230,047	0%	-	0%	-	0%	-	0%	-
3	Water System Operator	202,717	0%	-	0%	-	0%	-	0%	-
4	Vacant TBD	200,381	50%	2,004	50%	2,004	0%	-	100%	4,008
5	Operations-Maintenance Technician	173,781	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	207,217	0%	-	0%	-	0%	-	0%	-
7	Water Conservation & Outreach Specialist	141,983	0%	-	0%	-	100%	2,840	100%	2,840
8	Water Resources Technician	99,592	0%	-	0%	-	0%	-	0%	-
9	Field Technician	94,651	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	94,644	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	0%	-	0%	-	0%	-	0%	-
	Total Staff Salaries/Benefits	2,799,363		16,862		9,619		3,512		29,993
	Board Members	12,057				12,057				12,057
	Total Salaries & Benefits	**2,811,420**		**16,862**		**21,676**		**3,512**		**42,050**

Note: Totals may not tie due to rounding.

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Special Fund
General Administration Service Expense Group Summary

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

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

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

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

Conservation
The conservation goal in the 2014 BMP Update accounts for 5,000 acre-feet per year (AFY) about a 10% reduction in pumping compared to the baseline 2006-2010 average for groundwater wells or ~40% of the overall solution to eliminate 12,100 AFY of groundwater extraction. The Agricultural Water Conservation Program provides a high-level of engagement with local partners and stakeholders, to streamline ranch level conservation programs and leverage resources in order to optimize basin-wide progress toward the BMP Conservation goals. Partner agencies include the Resource Conservation Districts of Santa Cruz and Monterey Counties, the Natural Resources Conservation Service, the Water Conservation Coalition of Santa Cruz County, and the UC Cooperative Extension. In December 2020, the Board of Directors voted in favor of funding the BMP Agricultural Water Conservation Program for the next three calendar years (2021-2023) at rate of $400,000 per year, which includes $300,000 per year for professional services, and $100,000 per year in rebates, trials and cost-sharing agreements. The Household Water Conservation program includes rebates, a home and garden water conservation tool kit, and water saving device give-a-ways. Outreach and education are important components of both programs. The FY23-24 budget includes $350,000 for professional services to support the conservation program and $125,000 rebates.

Outreach & Education
Outreach, community engagement, and education are among the most important functions of PV Water as they touch all aspects of the Agency's mission. Meetings, tours and workshops for stakeholders, community members, and students make up an important component of PV Water's outreach program. Outreach outlets included in this category are annual reports, newsletters, participation in local fairs and events, website updates and maintenance, and development of traditional media and social media content (e.g. Facebook). The FY23-24 budget includes $50,000 for professional services to support outreach activities.

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Table 6. Special Fund General Administration Expenditures

Special Fund General Administration July 1, 2023 to June 30, 2024					
	Office Administration	**Grant Administration**	**Conservation**	**Public Outreach & Education**	**Total**
Expenditures					
Wages & Benefits	775,063	59,508	40,529	115,789	990,889
Conferences/Training	4,000	-	1,000	1,000	6,000
Travel - Mileage - Meals - Lodging	7,500	1,000	1,000	1,000	10,500
Bank Charges/Bond Fees	20,000	-	-	-	20,000
Insurance	1,000	-	-	-	1,000
Taxes/Fees	24,000	-	-	-	24,000
Legal Notices & Ads	2,500	-	-	-	2,500
Dues & Subscription	5,000	-	-	500	5,500
Office Expense/Supplies	10,000	-	1,000	1,000	12,000
Postage	2,000	1,000	-	1,000	4,000
Printing	15,000	-	1,000	15,000	31,000
Utilities	8,200	-	-	-	8,200
Telephone/Communications	4,000	-	4,000	4,000	12,000
Office Equipment Leases	7,500	-	-	-	7,500
Well Leases	-	-	-	-	-
Field Supplies/Equipment	-	-	5,000	2,000	7,000
Elections	-	-	-	-	-
Legal Services	75,000	2,000	-	-	77,000
Professional Services	10,000	75,000	350,000	50,000	485,000
Meter Contractor	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-
Collection Fee/Bad Debt	9,000	-	-	-	9,000
Special Projects Outreach	-	-	-	-	-
Facilities Maintenance	10,000	-	-	-	10,000
Land Acquisition	-	-	-	-	-
Information Technology	26,000	-	13,000	13,000	52,000
Licensed Contractors	-	-	-	-	-
Vehicle Maintenance	-	-	1,500	2,000	3,500
Vehicle Purchase	-	-	-	-	-
Meters	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-
Rebates	-	-	125,000	-	125,000
City Connection Water Charges	-	-	-	-	-
Miscellanous (X-Band Radar/Uniforms)	5,000	-	-	-	5,000
Water Sampling	-	-	-	-	-
Bond Administration Fee	10,000	-	-	-	10,000
DWR Note Payable	-	-	-	-	-
SWRCB Loan	-	-	-	-	-
2015 Bond	-	-	-	-	-
2016 Bond	-	-	-	-	-
Total Expenditures	**$ 1,030,763**	**$ 138,508**	**$ 543,029**	**$ 206,289**	**$ 1,918,589**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Special Revenue Fund 20									
		Includes 10% Allowance for Non-Exempt	Office Admin		Public Outreach & Education		Grant Admin		Conser-vation		**Total**	
			%	$	%	$	%	$	%	$	%	$
Agency Administration												
1	General Manager	336,244	20%	67,249	10%	33,624	3%	10,087	3%	10,087	36%	121,048
2	Finance & Administrative Services Manager	222,924	70%	156,047	1%	2,229	6%	13,375	0%	-	77%	171,652
3	Financial Analyst	152,415	90%	137,173	0%	-	5%	7,621	0%	-	95%	144,794
4	Administrative Analyst	168,917	60%	101,350	2%	3,378	5%	8,446	0%	-	67%	113,174
5	Customer Service Rep	155,662	98%	152,548	0%	-	0%	-	0%	-	98%	152,548
6	Account Clerk	121,130	98%	118,707	0%	-	0%	-	0%	-	98%	118,707
Operations												
1	Water Meter Program Coordinator	175,131	2%	3,503	0%	-	1%	1,751	0%	-	3%	5,254
2	Water System Operations Supervisor	230,047	4%	9,202	1%	2,300	0%	-	0%	-	5%	11,502
3	Water System Operator	202,717	2%	4,054	1%	2,027	1%	2,027	0%	-	4%	8,109
4	Vacant TBD	200,381	5%	10,019	3%	6,011	1%	2,004	0%	-	9%	18,034
5	Operations-Maintenance Technician	173,781	0%	-	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	207,217	3%	6,217	2%	4,144	5%	10,361	1%	2,072	11%	22,794
7	Water Conservation & Outreach Specialist	141,983	1%	1,420	40%	56,793	2%	2,840	15%	21,297	58%	82,350
8	Water Resources Technician	99,592	1%	996	2%	1,992	1%	996	6%	5,976	10%	9,959
9	Field Technician	94,651	0%	-	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	94,644	0%	-	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	30%	6,578	15%	3,289	0%	-	5%	1,096	50%	10,964
	Total Salaries/Benefits	**2,799,363**		**775,063**		**115,789**		**59,508**		**40,529**		**990,890**

Note: Totals may not tie due to rounding.

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Facility Operations
Service Expense Group Summary

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

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

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

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

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

Watsonville Area Recycled Water Facility (RWF)
The RWF, constructed, operated, and maintained in collaboration with the City of Watsonville (City), was designed to produce up to 4,000 acre-feet per year of tertiary-treated, Title 22 compliant recycled water for use as an irrigation supply, delivered through the CDS, in lieu of groundwater. Expenses in this category are for annual fees, studies, and operations and maintenance (O&M) costs paid to the City for water produced at the RWF and include equipment, chemicals, staff time, etc. This year's budget includes $2.75 million in O&M costs to the City for an anticipated 3,500 acre-feet (AF) of recycled water production.

Metering Program
The Metering Program consists of maintaining and reading over 1,000 flow meters basin-wide on a quarterly basis. Calibrated flow meters measure groundwater extractions and water deliveries for basin management and billing purposes. PV Water is in the process of upgrading traditional meters to telemetry meters, which allow for cloud-based access of data for both staff and customers.

Table 8. Facility Operations Expenditures

Facility Operations July 1, 2023 to June 30, 2024						
	Harkins Slough Facility	**Coastal Distribution System**	**Supplemental Water (In-Basin)**	**Recycled Water Facility**	**Metering Program**	**Total**
Expenditures						
Wages & Benefits	78,435	412,655	41,931	27,999	398,029	959,049
Conferences/Training	-	3,000	-	-	1,500	4,500
Travel - Mileage - Meals - Lodging	-	2,000	-	-	-	2,000
Bank Charges/Bond Fees	5,000	5,000	5,000	-	5,000	20,000
Insurance	14,000	14,000	14,000	-	14,000	56,000
Taxes/Fees	4,000	-	-	25,000	-	29,000
Legal Notices & Ads	-	-	-	-	-	-
Dues & Subscription	500	1,000	500	-	500	2,500
Office Expense/Supplies	500	1,000	500	-	500	2,500
Postage	1,000	1,250	1,000	-	1,750	5,000
Printing	500	500	500	-	250	1,750
Utilities	90,000	2,000	250,000	-	-	342,000
Telephone/Communications	3,000	3,000	3,000	-	25,000	34,000
Office Equipment Leases	2,000	2,000	1,500	-	1,500	7,000
Well Leases	-	-	200,000	-	-	200,000
Field Supplies/Equipment	15,000	25,000	7,000	-	3,000	50,000
Elections	-	-	-	-	-	-
Legal Services	-	-	5,000	-	-	5,000
Professional Services	10,000	50,000	25,000	100,000	3,000	188,000
Meter Contractor	-	-	-	-	30,000	30,000
LAFCO District Fees	-	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-	-
Facilities Maintenance	2,000	2,000	2,000	-	2,000	8,000
Land Acquisition	-	-	-	-	-	-
Information Technology	25,000	20,000	22,000	-	22,000	89,000
Licensed Contractors	50,000	100,000	250,000	-	-	400,000
Vehicle Maintenance	5,000	10,000	5,500	-	10,000	30,500
Vehicle Purchase	5,000	60,000	5,000	-	5,000	75,000
Meters	-	-	-	-	80,000	80,000
COW Reimb O&M	-	-	-	2,750,000	-	2,750,000
Rebates	-	-	100,000	-	-	100,000
City Connection Water Charges	-	600,000	-	-	-	600,000
Miscellanous (Uniforms/X-Band Radar)	-	-	-	-	-	-
Water Sampling	12,000	35,000	-	-	-	47,000
Bond Administration Fee	-	-	-	-	-	-
DWR Note Payable	-	-	-	-	-	-
SWRCB Loan	-	-	-	-	-	-
2015 Bond	-	-	-	-	-	-
2016 Bond	-	-	-	-	-	-
Total Expenditures	**$ 322,935**	**$ 1,349,405**	**$ 939,431**	**$ 2,902,999**	**$ 603,029**	**$ 6,117,799**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Special Revenue Fund 20											
			Facility Operations											
		Includes 10% Allowance for Non-Exempt	Harkins Slough		Coastal Distribution System		Supplemental Water (In-Basin)		Recycled Water Facility		Metering Program		Total	
			%	$	%	$	%	$	%	$	%	$	%	$
	Agency Administration													
1	General Manager	336,244	1%	3,362	1%	3,362	2%	6,725	1%	3,362	1%	3,362	6%	20,175
2	Finance & Administrative Services Manager	222,924	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
3	Financial Analyst	152,415	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
4	Administrative Analyst	168,917	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
5	Customer Service Rep	155,662	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	121,130	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
	Operations													
1	Water Meter Program Coordinator	175,131	2%	3,503	20%	35,026	0%	-	0%	-	75%	131,348	97%	169,877
2	Water System Operations Supervisor	230,047	10%	23,005	50%	115,023	5%	11,502	5%	11,502	5%	11,502	75%	172,535
3	Water System Operator	202,717	5%	10,136	50%	101,358	5%	10,136	2%	4,054	8%	16,217	70%	141,902
4	Vacant TBD	200,381	3%	6,011	4%	8,015	3%	6,011	3%	6,011	1%	2,004	14%	28,053
5	Operations-Maintenance Technician	173,781	5%	8,689	40%	69,512	0%	-	0%	-	55%	95,579	100%	173,781
6	Associate Hydrologist	207,217	4%	8,289	2%	4,144	2%	4,144	1%	2,072	2%	4,144	11%	22,794
7	Water Conservation & Outreach Specialist	141,983	0%	-	0%	-	1%	1,420	0%	-	3%	4,259	4%	5,679
8	Water Resources Technician	99,592	6%	5,976	10%	9,959	2%	1,992	1%	996	15%	14,939	34%	33,861
9	Field Technician	94,651	5%	4,733	35%	33,128	0%	-	0%	-	60%	56,790	100%	94,651
10	Maintenance Technician	94,644	5%	4,732	35%	33,125	0%	-	0%	-	60%	56,786	100%	94,644
11	Intern	21,928	0%	-	0%	-	0%	-	0%	-	5%	1,096	5%	1,096
	Total Salaries & Benefits	**2,799,363**		**78,435**		**412,655**		**41,931**		**27,999**		**398,029**		**959,048**

Note: Totals may not tie due to rounding.

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Basin Management
Service Expense Group Summary

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

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

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

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

In-Basin Management
The In-Basin Management section of the budget has historically funded the development of the Basin Management Plan (BMP). The Board of Directors certified the BMP Update Environmental Impact Report (Resolution 2014-04) and approved the BMP Update (Resolution 2014-05) in April 2014. In 2016, PV Water developed a BMP Implementation Plan Strategy. In July 2019, DWR approved PV Water's Groundwater Sustainability Plan (GSP) Alternative. Following a year-long process led by the Ad Hoc Sustainable Groundwater Planning Advisory Committee, the Board adopted Resolution 2021-17, "Adopting the Basin Management Plan: Groundwater Sustainability Update 2022 and Authorizing the General Manager or Designee to Submit the Basin Management Plan: Groundwater Sustainability Update 2022 to the California Department of Water Resources". Funding in FY23-24 is primarily for data analysis, preparation and presentation of the SGMA annual report, and responding to comments on the GSU22.

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

Out-of-Basin Funding
Out-of-Basin Funding efforts include the continued pursuit of state and federal grants and loans. For instance, Title XVI and WIFIA programs at the federal level, and various propositions at the state level, continue to represent significant funding opportunities. Over the course of the fiscal year, PV Water expects to receive approximately $5 million in grant reimbursements, and approximately $45 million through WIFIA, subject to loan approval. This year's budget includes funding for grant writing, preparing the WIFIA application, contracting, and management of grants and contractors, as well as lobbying services.

In-Basin Funding
In June 2019, the Board approved an agreement to develop an updated Cost of Service Rate Study (Rate Study to evaluate anticipated revenue needs to cover expenditures associated with the continued implementation of the BMP Update. The Board established an Ad Hoc Funding Committee in November 2019 to receive information developed as part of the Rate Study, evaluate potential options to meet revenue requirements, and make recommendations to the Board of Directors. The Committee voted in favor of recommending the rate structure, as proposed during its January 2021 meeting, to the Board. The Board adopted the Rate Study in February 2021. The Rate Study identifies water user categories and anticipated use amounts for each category. It also identifies costs of service, allocates the costs to the water users, and proposes a rate increase. The Board adopted Ordinances 2021-01 and 2021-02, adjusting the Agency's Delivered Water Charge and Groundwater Augmentation Charge in April 2021, and 2022-01, adjusting effective date to December 1 of each year.

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Table 10. Basin Management Expenditures

Basin Management July 1, 2023 to June 30, 2024							
	Basin Modeling	**Basin Monitoring**	**In-Basin Management**	**Regional Water Management**	**Out-of-Basin Funding**	**In-Basin Funding**	**Total**
Expenditures							
Wages & Benefits	75,265	121,304	61,984	10,278	46,493	21,106	336,430
Conferences/Training	500	3,000	-	-	-	-	3,500
Travel - Mileage - Meals - Lodging	1,000	2,000	-	500	4,000	500	8,000
Bank Charges/Bond Fees	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Taxes/Fees	-	-	-	-	-	-	-
Legal Notices & Ads	-	-	250	500	-	2,500	3,250
Dues & Subscription	-	500	-	-	-	-	500
Office Expense/Supplies	-	-	-	-	-	-	-
Postage	-	-	-	-	-	1,000	1,000
Printing	-	-	-	500	-	1,000	1,500
Utilities	-	-	-	-	-	-	-
Telephone/Communications	-	-	-	-	-	-	-
Office Equipment Leases	-	-	-	-	-	-	-
Well Leases	-	-	-	-	-	-	-
Field Supplies/Equipment	-	24,000	-	-	-	-	24,000
Elections	-	-	-	-	-	-	-
Legal Services	-	-	15,000	-	-	25,000	40,000
Professional Services	100,000	50,000	100,000	25,000	150,000	25,000	450,000
Meter Contractor	-	-	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-	-	-
Land Acquisition	-	-	-	-	-	-	-
Information Technology	16,000	20,000	-	-	-	-	36,000
Licensed Contractors	-	15,000	-	-	-	-	15,000
Vehicle Maintenance	-	3,000	-	-	-	-	3,000
Vehicle Purchase	-	5,000	-	-	-	-	5,000
Meters	-	-	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-	-	-
Rebates	-	-	-	-	-	-	-
City Connection Water Charges	-	-	-	-	-	-	-
Miscellanous (Uniforms/X-Band Radar)	-	-	-	-	-	-	-
Water Sampling	-	50,000	-	-	-	-	50,000
Bond Administration Fee	-	-	-	-	-	-	-
DWR Note Payable	-	-	-	-	-	-	-
SWRCB Loan	-	-	-	-	-	-	-
2015 Bond	-	-	-	-	-	-	-
2016 Bond	-	-	-	-	-	-	-
Total Expenditures	**$ 192,765**	**$ 293,804**	**$ 177,234**	**$ 36,778**	**$ 200,493**	**$ 76,106**	**$ 977,180**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Special Revenue Fund 20 — Basin Management													
		Includes 10% Allowance for Non-Exempt	Basin Modeling		Basin Monitoring		In-Basin Management Plan		Regional Water Management Plan		Out Of Basin Funding		In-Basin Funding (Rate Setting)		**Total**	
			%	$	%	$	%	$	%	$	%	$	%	$	%	$
	Agency Administration															
1	General Manager	336,244	3%	10,087	4%	13,450	6%	20,175	1%	3,362	5%	16,812	4%	13,450	23%	77,336
2	Finance & Administrative Services Manager	222,924	0%	-	0%	-	0%	-	0%	-	7%	15,605	1%	2,229	8%	17,834
3	Financial Analyst	152,415	0%	-	0%	-	0%	-	0%	-	3%	4,572	0%	-	3%	4,572
4	Administrative Analyst	168,917	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
5	Customer Service Rep	155,662	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	121,130	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
	Operations															
1	Water Meter Program Coordinator	175,131	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	230,047	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
3	Water System Operator	202,717	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
4	Vacant TBD	200,381	2%	4,008	2%	4,008	5%	10,019	1%	2,004	3%	6,011	2%	4,008	15%	30,057
5	Operations-Maintenance Technician	173,781	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	207,217	25%	51,804	25%	51,804	12%	24,866	1%	2,072	1%	2,072	0%	-	64%	132,619
7	Water Conservation & Outreach Specialist	141,983	0%	-	2%	2,840	2%	2,840	2%	2,840	1%	1,420	1%	1,420	8%	11,359
8	Water Resources Technician	99,592	5%	4,980	45%	44,817	3%	2,988	0%	-	0%	-	0%	-	53%	52,784
9	Field Technician	94,651	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	94,644	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	20%	4,386	20%	4,386	5%	1,096	0%	-	0%	-	0%	-	45%	9,868
	Total Salaries & Benefits	**2,799,363**		**75,265**		**121,304**		**61,984**		**10,278**		**46,493**		**21,106**		**336,429**

Note: Totals may not tie due to rounding.

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Capital Projects
Service Expense Group Summary

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

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

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

In January 2017, the Board of Directors approved an agreement for Basin Management Plan Implementation – Program Management Services. The agreement funds a team of engineers, environmental scientists, property rights experts, funding experts, and others, to work with staff to advance the College Lake Integrated Resources Management Project and the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects. Tasks funded under the agreement include program administration, planning and engineering support, environmental review and permitting, property-rights, water-rights, public and stakeholder outreach, and funding. Provided below brief summaries of relevant project milestones, as well as anticipated work during FY23-24.

College Lake Integrated Resources Management Project
In October 2019, the Board adopted Resolution 2019-18, Certifying the Final Environmental Impact Report, Adopting Findings Pursuant to the California Environmental Quality Act, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program for the College Lake Integrated Resources Management Project and Resolution 2019-19, Selecting, Approving, and Adopting the College Lake Integrated Resources Management Project. In August 2020, the Board approved agreements for design and bid period services, and in October 2020, the Board approved agreements for environmental & permitting support, property rights, and fish passage design services. In December 2021, the State Water Resources Control Board approved the water-right permit A032881 for the Project, providing PV Water the ability to appropriate up to 3,000 AF of water from Salsipuedes Creek per year. In January 2022, following a year-long, community-based Ad Hoc Adaptive Management Plan Committee effort, the Board adopted Resolution 2022-03, Adopting the College Lake Integrated Resources Management Project Adaptive Management Plan 2022, Fulfilling Environmental Impact Report Mitigation Measures, and Directing the General Manager, or Designee, to Implement the Adaptive Management Plan (AMP). In February 2023, the Board adopted Resolution 2023-02, Awarding Contract to Mountain Cascade Inc. for Construction of the College Lake Water Treatment Plant And Intake Facilities Project, Project No. 30-39-501, and the College Lake Pipeline Project, Project No. 30-39-502. The budget includes funding for construction related costs during the fiscal year

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

Basin Monitoring Network Improvements Project

The purpose of this project is better quantify progress toward achieving sustainable groundwater resources through the installation of additional groundwater monitoring wells within the Basin. Staff have initiated the application process with DWR for *Technical Support Services* in support of the installation of new monitoring wells to fill data gaps (as described in GSU22) and to improve the PV Water's ability to monitor the effectiveness of projects and management actions. The Cost of Service Rate Study, approved by the Board in 2021, anticipated a $1.5 million expenditure to construct new monitoring wells.

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Table 12. Capital Projects Expenditures

Capital Projects July 1, 2023 to June 30, 2024					
	Basin Monitoring Improvements	**Harkins Slough Facility Upgrades**	**College Lake Integrated Resources Management Project**	**Struve Slough Diversion with Recharge Basins**	**Total**
Expenditures					
Wages & Benefits	13,497	123,313	232,458	113,734	483,002
Conferences/Training	-	-	-	-	-
Travel - Mileage - Meals - Lodging	-	-	-	-	-
Bank Charges/Bond Fees	-	-	-	-	-
Insurance	-	-	-	-	-
Taxes/Fees	-	-	40,000	25,000	65,000
Legal Notices & Ads	-	1,000	125,000	3,000	129,000
Dues & Subscription	-	-	-	-	-
Office Expense/Supplies	-	-	-	-	-
Postage	-	-	-	-	-
Printing	-	1,000	10,000	2,000	13,000
Utilities	-	-	-	-	-
Telephone/Communications	-	-	-	-	-
Office Equipment Leases	-	-	-	-	-
Well Leases	-	-	-	-	-
Field Supplies/Equipment	25,000	1,000	-	-	26,000
Elections	-	-	-	-	-
Uniforms	-	-	-	-	-
Legal Services	-	75,000	250,000	75,000	400,000
Professional Services	100,000	800,000	12,000,000	800,000	13,700,000
Meter Contractor	-	-	-	-	-
LAFCO District Fees	-	-	-	-	-
Collection Fee/Bad Debt	-	-	-	-	-
Special Projects Outreach	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-
Land Acquisition	75,000	2,500,000	1,000,000	500,000	4,075,000
Information Technology	-	-	-	-	-
Licensed Contractors	2,000,000	200,000	60,000,000	-	62,200,000
Vehicle Maintenance	-	-	-	-	-
Vehicle Purchase	-	-	-	-	-
Meters	-	-	-	-	-
COW Reimb O&M	-	-	-	-	-
Rebates	-	-	-	-	-
City Connection Water Charges	-	-	-	-	-
Miscellanous (Uniforms/X-Band Radar)	-	-	-	-	-
Water Sampling	-	-	-	-	-
Bond Administration Fee	-	-	-	-	-
DWR Note Payable	-	-	-	-	-
SWRCB Loan	-	-	-	-	-
2015 Bond	-	-	-	-	-
2016 Bond	-	-	-	-	-
Total Expenditures	**$ 2,213,497**	**$ 3,701,313**	**$73,657,458**	**$ 1,518,734**	**$81,091,002**

Note: Totals may not tie due to rounding.

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

	Position	Total Salary & Benefits	Capital Projects Fund 30									
			Capital Projects									
		Includes 10% Allowance for Non-Exempt	Basin Monitoring Improvements		Harkins Slough Facility Upgrades		College Lake Intergrated Resources Management Project		Struve Slough Diversion & Recharge Basins		**Total**	
			%	$	%	$	%	$	%	$	%	$
	Agency Administration											
1	General Manager	336,244	1%	3,362	9%	30,262	15%	50,437	8%	26,900	33%	110,961
2	Finance & Administrative Services Manager	222,924	1%	2,229	2%	4,458	8%	17,834	2%	4,458	0%	28,980
3	Financial Analyst	152,415	0%	0	0%	-	0%	-	0%	-	0%	-
4	Administrative Analyst	168,917	1%	1,689	7%	11,824	16%	27,027	7%	11,824	0%	52,364
5	Customer Service Rep	155,662	0%	0	0%	-	0%	-	0%	-	0%	-
6	Account Clerk	121,130	0%	0	0%	-	0%	-	0%	-	0%	-
											0%	
	Operations										0%	
1	Water Meter Program Coordinator	175,131	0%	-	0%	-	0%	-	0%	-	0%	-
2	Water System Operations Supervisor	230,047	0%	-	5%	11,502	10%	23,005	5%	11,502	0%	46,009
3	Water System Operator	202,717	0%	-	3%	6,081	20%	40,543	3%	6,081	0%	52,706
4	Vacant TBD	200,381	0%	-	20%	40,076	20%	40,076	20%	40,076	0%	120,229
5	Operations-Maintenance Technician	173,781	0%	-	0%	-	0%	-	0%	-	0%	-
6	Associate Hydrologist	207,217	3%	6,217	6%	12,433	2%	4,144	3%	6,217	0%	29,010
7	Water Conservation & Outreach Specialist	141,983	0%	-	4%	5,679	20%	28,397	4%	5,679	0%	39,755
8	Water Resources Technician	99,592	0%	-	1%	996	1%	996	1%	996	0%	2,988
9	Field Technician	94,651	0%	-	0%	-	0%	-	0%	-	0%	-
10	Maintenance Technician	94,644	0%	-	0%	-	0%	-	0%	-	0%	-
11	Intern	21,928	0%	-	0%	-	0%	-	0%	-	0%	-
	Total Salaries & Benefits	**2,799,363**		**13,497**		**123,313**		**232,458**		**113,734**		**483,003**

Note: Totals may not tie due to rounding.

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Debt Service Payments
Service Expense Group Summary

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

Note Payable – Department of Water Resources (DWR)
The Agency entered into a promissory note on June 15, 2005 with the DWR in the amount of $3,511,446. The loan proceeds were used for the construction of projects identified in the Revised BMP (2002). Principal and interest for FY23-24 amounts to $251,416, with interest at 2.4%. The final payment on this note is due September 30, 2027.

Bond Payable – 2015 Water Revenue Refunding Bonds
The Agency issued Water Revenue Refunding Bonds in the amount of $19,970,000 in 2015 primarily to refinance 1999 Certificate of Participation and two State Water Resources Control Board loans used to construct Harkins Slough Managed Aquifer Recharge and Recovery Facilities, the Coastal Distribution System, and Blend Wells. Principal and interest for FY23-24 amounts to $1,547,850, with interest ranging from 3% to 5%. The final payment on this bond is due March 1, 2029.

Bond Payable – 2016 Water Revenue Refunding Bonds
The Agency issued Water Revenue Refunding Bonds in the amount of $11,435,000 in 2016 to refinance the City of Watsonville's 2007 Water Revenue Bonds for costs associated with the design and construction of the Recycled Water Facility. Principal and interest for FY23-24 amount to $804,463, with interest ranging from 3% to 5%. The final payment on this bond is due March 1, 2036.

Clean Water State Revolving Fund (SRF) – State Water Resources Control Board (SWRCB)
In February 2016, the Agency was awarded grant and loan funding from the California State Water Resources Control Board's Clean Water SRF "Water Recycling Construction Financing" program. The loan amount is $1,978,522 at an interest rate of 1% for 30-years. The projects funded by this agreement are the Recycled Water Storage and Distribution Pump Station Improvements Project, and the Recycled Water Facility Disk Filter Upgrade Project. Principal and interest for FY23-24 amount to $76,206. The final payment on this loan is due July 1, 2050.

Water Infrastructure Finance and Innovation Act (WIFIA) program – United States Environmental Protection Agency (EPA)
The EPA, after reviewing the Agency's Letter of Interest, sent the Agency an invitation to submit a WIFIA application to help fund approximately 49% of the estimated $135.7 million in capital costs associated with the College Lake Integrated Resources Management Project (CLIRMP) and Watsonville Slough System Managed Aquifer Recharge and Recovery Projects (WSS-MARR). Staff anticipate submitting the application in summer 2023 and receiving funding in the first quarter of 2024. Debt repayment would begin approximately 5-years after project completion, pending the terms of the agreement.

2023 Water Revenue Certificates of Participation
The Agency is anticipating issuance a debt obligation in the form of a Certificate of Participation to raise up to $44.5 million for College Lake Project costs. Staff anticipate receiving revenue from this effort in June 2023, and initiating debt payment in FY23-24.

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Table 14. Debt Service Summary

Debt Service July 1, 2023 to June 30, 2024	
Expenditures	
DWR Note Payable Principal	227,127
DWR Note Pinterest	24,289
SWRCB Loan Principal	57,675
SWRCB Loan Interest	18,531
2015 Bond Payment Principal	1,290,000
2015 Bond Payment Interest	257,850
2016 Bond Payment Principal	500,000
2016 Bond Payment Interest	304,463
2023 COPs (Interest only)	1,300,000
Total Expenditures	**$ 3,979,934**

Note: Totals may not tie due to rounding.

Table 15. Bond Covenant Summary

BOND COVENANT TEST		
	Bond Principal	$ 1,790,000
	Bond Interest	1,862,313
	Annual Payment	3,652,313
	@ 110%	4,017,544
	Water Service Revenue	13,515,000
	Water Service O&M	9,445,668
	Net Revenue	4,069,332
	Over Debt Covenant	**$ 51,788**

Note: Totals may not tie due to rounding.

The Bond Covenant Test shows this budget satisfies the requirements of the bond debt covenant agreements in excess of $51,788.