



**ADMINISTRATION & FINANCE COMMITTEE  
MEETING MINUTES of  
Tuesday, June 13, 2023, 3:00 p.m.  
PV Water, 36 Brennan Street, Watsonville**

The meeting was called to order at 3:05 p.m.

**1. Roll Call of Committee Members:**

Committee Members Present: Bob Culbertson (Chair), Amy Newell, Stephen Rider

Staff Present: Brian Lockwood, General Manager (GM), Nancy Trevino, Finance & Administrative Services Manager (FASM), Priscilla Sanchez, Financial Analyst (FA)

Others Present: None

**2. Director Comments:** None

**3. Public Comments:** None

**4. Consider Approving Minutes of May 9, 2023, Committee Meeting:**

**Action:** Director Newell moved to approve the May 9, 2023, meeting minutes; seconded by Director Rider.

The motion carried following vote:

Ayes: **Culbertson, Newell, Rider**

Noes: **None**

Abstain: **None**

Absent: **None**

**5. Consider Proposed Budget Amendments for Fiscal Year Ending June 30, 2023:**

GM Lockwood reported on the most significant proposed budget amendments, including adjusting the final revenue generated from the issuance of Certificates of Participation (COP) from \$35M to \$40M.

**Action:** Director Newell moved to recommend that the Board approve the proposed budget amendments for fiscal year ending June 30, 2023, and place the item on the consent agenda; seconded by Director Rider.

The motion carried following vote:

Ayes: **Culbertson, Newell, Rider**

Noes: **None**

Abstain: **None**

Absent: **None**

**6. Consider Proposed Final Budget for Fiscal Year Ending June 30, 2024:**

GM Lockwood summarized the status of the proposed final budget, noting that June 13 marks the third time the Committee has reviewed the budget and that staff have not made changes since presenting the proposed preliminary budget.

**Action:** Director Rider moved to recommend that the Board approve proposed final budget for the fiscal year ending June 30, 2024; seconded by Director Newell.

The motion carried following vote:

Ayes: **Culbertson, Newell, Rider**  
Noes: **None**  
Abstain: **None**  
Absent: **None**

**7. Consider the Investment Policy:**

GM Lockwood introduced the investment policy and summarized its importance to the fiscal stability of the agency with the recent acceptance of COP funding. GM Lockwood recommended that the Committee review this policy annually.

**Action:** Director Rider moved to recommend the Board approve the Investment Policy, and place the item on the consent agenda; seconded by Director Newell.

The motion carried following vote:

Ayes: **Culbertson, Newell, Rider**  
Noes: **None**  
Abstain: **None**  
Absent: **None**

**8. Consider the Cash Reserve Policy for Fiscal Year Ending June 30, 2024:**

GM Lockwood introduced the cash reserve policy and summarized several proposed revisions. Director Culbertson had questions specifically related to the O&M reserve calculation. FASM Trevino provided clarification, and discussion ensued where Director Culbertson requested the policy narrative be amended to read “50% of annual operating budgeted expense of O&M” instead of “180 days of O&M expense.” Language within this Policy states that the Committee is to review it annually.

**Action:** Director Rider moved to recommend that language be added to a future version of the Policy to describe the process by which reserve funds may be accessed, and that the Board approve the Cash Reserve Policy as amended and place it on the consent agenda; seconded by Director Newell.

The motion carried following vote:

Ayes: **Culbertson, Newell, Rider**  
Noes: **None**  
Abstain: **None**  
Absent: **None**

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

GM Lockwood introduced the item.

**Action:** Director Newell moved to recommend the Board approve the resolution and place it on the consent agenda; seconded by Director Rider.

The motion carried following vote:

Ayes: **Culbertson, Newell, Rider**

Noes: **None**

Abstain: **None**

Absent: **None**

**10. Consider the Managed Security Assurance Agreement with ZAG Technical Services in an amount not to exceed \$150,000 through June 30, 2025:**

GM Lockwood introduced the item and further described the services provided by ZAG Technical Services. Director Newell requested amending the PV Water's standard agreement to include "age" as part of the Equal Employment Opportunity clause language.

**Action:** Director Rider moved to recommend the Board approve the managed security assurance agreement with ZAG Technical Services in an amount not to exceed \$150,000 through June 30, 2025; seconded by Director Newell.

The motion carried following vote:

Ayes: **Culbertson, Newell, Rider**

Noes: **None**

Abstain: **None**

Absent: **None**

**11. Consider Accepting Financial Reports:**

**Action:** Director Newell moved to accept the Financial Reports and recommend the Board approve, and place them on the consent agenda; seconded by Director Rider.

The motion carried following vote:

Ayes: **Culbertson, Newell, Rider**

Noes: **None**

Abstain: **None**

Absent: **None**

**12. Consider Accepting Cash Flow Reports:**

**Action:** Director Rider moved to accept the Cash Flow Reports and recommend the Board approve, and place them on the consent agenda; seconded by Director Newell.

The motion carried following vote:

Ayes: **Culbertson, Newell, Rider**

Noes: **None**

Abstain: **None**

Absent: **None**

13. **Discuss Future Agenda Items and Next Meeting Date:** Future agenda items include possibly cancelling the August Board Meeting. The next regular meeting date is set for Tuesday, July 11, 2023, 3:00 p.m.

Adjournment: 4:04 p.m.