



PAJARO VALLEY WATER MANAGEMENT AGENCY

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**ADMINISTRATION & FINANCE COMMITTEE
MEETING MINUTES of
Tuesday, November 7, 2023, 3:00 p.m.
PV Water, 36 Brennan Street, Watsonville**

Chair Culbertson called the meeting to order at 3:03 p.m.

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

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

Committee Members Absent: Stephen Rider (Vice Chair)

Staff Present: Brian Lockwood, General Manager (GM), Nancy Trevino (FASM), Priscilla Sanchez (FA)

Others Present: None

2. **Director Comments:** Director Culbertson commented on the City of Watsonville's Council Chambers in light of the recent IT improvements and the recent unsavory commentary from some remote participants that the City and other municipalities have experienced lately. He pondered how that may affect PV Water's Board meetings. Ideas to remedy the issue could include requiring the speaker to identify themselves and having a 5-second delay on the audio feed.

3. **Public Comments:** None

4. **Consider Approving Minutes of October 10, 2023, Committee Meeting:**

Action: Director Newell moved to approve the October 10, 2023, meeting minutes and place them on the consent agenda; seconded by Director Culbertson.

The motion carried following vote:

Ayes: **Culbertson, Newell**

Noes: **None**

Abstain: **None**

Absent: **Rider**

5. **Receive Report on Employee Handbook Update:**

GM Lockwood reminded the Directors that in 2019 PV Water retained Human Resources consulting services from Regional Governmental Services (RGS) to assist the Staff in the effort to update the Employee Handbook (Handbook). Staff also engaged PV Water's

General Counsel, and the PV Water Employee Organization (EO) in the update effort. Staff presented proposed updates to the Handbook to the Administration and Finance Committee in March 2020, at the beginning of the COVID-19 pandemic, which ultimately led to a pause in the effort. During the next two years, internal employees, including PV Water's former FASM, Helen Rodriguez, conducted a detailed review of the Handbook. From March of 2020 to present, the EO requested certain revisions to the Handbook, some of which have been incorporated. Once this comprehensive review and update of the Handbook is complete, staff would like to review and update it, particularly as the updates pertain to changing laws, annually as needed.

GM Lockwood summarized the significant proposed updates to the Committee and requested feedback. The Committee spent time discussing section 13, "Discipline and Termination," and deliberated on the types of disciplinary actions. Discussion included "reduction in salary" and the differences between disciplinary action and withholding a step increase due to lack of certifications, skills, or qualifications per the job description and requirements. The Committee stressed transparency and clear communication to work with all staff so that there are clear expectations, and encouraged management to obtain staff feedback on their respective job descriptions.

Action: None

6. Consider Accepting Quarterly Reports:

GM Lockwood summarized the report and commented on the contract renewal terms for several vendors. The Committee inquired about the \$484 payment in excess of the contract to SCA and the margin of acceptability and vendor responsibility. FASM Trevino explained PV Water's accounts payable system doesn't have a hard threshold to alert staff of billings exceeding the contract terms. Director Newell commented the budget to actual report indicated Bond Income/Revenue was \$0, despite \$45,000,000 in recently issued Certificates of Participation (COPs). FASM Trevino responded that Bond Income/Revenue would be kept as a single line item going forward for clarity.

Action: Director Newell moved to accept and recommend that the Board approve the quarterly reports and place them on the consent agenda; seconded by Director Culbertson.

The motion carried following vote:

Ayes: **Culbertson, Newell**

Noes: **None**

Abstain: **None**

Absent: **Rider**

7. Consider Accepting Financial Reports:

FASM Trevino explained the Bank Activity Report highlighting BNY Mellon 2023 COPs activity with funding expenditures related to College Lake Project, increase in interest rates with CDs and money market accounts held with Mechanics Bank, and

monitoring cash balances. Director Newell asked about PV Water's level of customer service and satisfaction with BNY Mellon to which FASM Trevino summarized a list of unresolved issues that has led to disappointment with BNY Mellon's staff. GM Lockwood mentioned that the WIFIA Loan likely will need to be two-loans in order to prevent the WSS-MARR from delaying the ability to draw funds for the College Lake Project.

Action: Director Newell moved to accept & recommend that the Board approve the financial reports and place them on the consent agenda; seconded by Director Culbertson.

The motion carried following vote:

Ayes: **Culbertson, Newell**

Noes: **None**

Abstain: **None**

Absent: **Rider**

8. Consider Accepting Cash Flow Reports:

FASM Trevino stated the negative balance under 30 days is reflective of an account that was billed incorrectly, corrected, and re-issued. Staff are closely monitoring balances over 120 days and legal counsel is taking action on certain accounts. GM Lockwood mentioned he approved a 30-day payment plan for a customer who called and requested it, committing to pay the account in full by 11/30/2023.

Action: Director Newell moved to accept & recommend that the Board approve the cash flow reports and place them on the consent agenda; seconded by Director Culbertson.

The motion carried following vote:

Ayes: **Culbertson, Newell**

Noes: **None**

Abstain: **None**

Absent: **Rider**

9. Discuss Future Agenda Items and Next Meeting Date: GM Lockwood suggested the following future agenda items: Employee Handbook and/or sections thereof, and possibly various consultant support agreements. The next regular meeting date is set for Tuesday, December 12, 2023, 3:00 p.m.

Adjournment: 4:42 p.m.