



**PAJARO VALLEY WATER MANAGEMENT AGENCY**

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**ADMINISTRATION & FINANCE COMMITTEE  
MEETING MINUTES of  
Tuesday, January 9, 2024, 3:00 p.m.  
PV Water, 36 Brennan Street, Watsonville**

Chair Culbertson called the meeting to order at 3:05 p.m.

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

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

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

Others Present: Jonathan Abadesco, Audit Partner, CJ Brown & Company CPAs

2. **Director Comments:** None

3. **Public Comments:** None

4. **Election of Officers for 2024:**

**Action:** The Committee elected Bob Culbertson as Chair, and Abel Sanchez as Vice Chair for the Administration & Finance Committee Officers for 2024.

The motion carried following vote:

Ayes: **Culbertson, Newell, Sanchez**

Noes: **None**

Abstain: **None**

Absent: **None**

5. **Consider Approving Minutes of December 12, 2023, Committee Meeting:**

**Action:** Director Newell clarified that the Administrative Finance Committee meeting minutes are not placed on the consent agenda; therefore, the phase should be omitted.

Director Newell moved to approve the December 12, 2023, meeting minutes with suggested changes; seconded by Director Culbertson.

The motion carried following vote:

Ayes: **Culbertson, Newell, Sanchez**

Noes: **None**

Abstain: **None**

Absent: **None**

6. **Review Draft of Annual Financial Report for Fiscal Year ended June 30, 2023:**  
GM Lockwood introduced Jonathan Abadesco, Partner at CJ Brown & Company CPAs, who presented the financial audit outcomes of the Agency's external financial audit. The determination is the Agency operates using strong internal controls and is in good financial standing with no material misstatements or concerns. Roundtable discussion ensued regarding a variety of topics including lease obligations, leases payable, audit disclaimer statements and opinion, and the tenure of the current and previous audit firm.

**Action:** Director Newell moved to recommend the Board accept and file the annual financial report for fiscal year ended June 30, 2023; seconded by Director Culbertson.

The motion carried following vote:

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

7. **Conduct Annual Review of Administration & Finance Committee Bylaws:**  
Director Newell suggested amending the bylaws to include the more routine and substantial duties of the AFC body to be more transparent.

**Action:** Director Newell moved to amend the Committee's bylaws and to recommend the Board approve them; seconded by Director Sanchez.

The motion carried following vote:

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

8. **Consider Agreement with Gutierrez Consultants, Inc. for California Department of Conservation Multibenefit Land Repurposing Program Grant Administration in an amount not to exceed \$705,795 through March 30, 2027:**  
GM Lockwood explained the time commitment and work involved with the \$8.89 million block grant and the multiple agency partnerships. In its role as lead grant agency, PV Water will have a high degree of administrative responsibility, including but not limited to outreach, reporting, and grant management. Gutierrez Consultants has historically provided strong support and a high degree of knowledge, experience, and expertise in this field. GM Lockwood stated that the grant administration fee subject to this item is fully reimbursable and will result in a net zero fiscal impact to the Agency.

**Action:** Director Newell moved to recommend that the Board approve the agreement with Gutierrez Consultants, Inc., for the California Department of Conservation Multibenefit Land Repurposing Program Grant Administration; seconded by Director Sanchez.

The motion carried following vote:

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

**9. Consider Accepting Quarterly Reports:**

FASM Trevino presented the December billing summary and pointed out there was an increase in revenue of approximately 25% from the prior year quarterly billing. GM Lockwood noted this was the first calendar year that the total ground water pumped was less than 40,000 acre-feet since metering was implemented. FASM Trevino presented the account adjustments report, roundtable comments ensued.

**Action:** Director Newell moved to accept the quarterly reports and recommend the Board approve them; seconded by Director Sanchez.

The motion carried following vote:

Ayes: **Culbertson, Newell, Sanchez.**  
Noes: **None**  
Abstain: **None**  
Absent: **None**

**10. Consider Accepting Financial Reports:**

FASM Trevino presented the financial reports noting PV Water's cash balances of approximately \$44 million as of November 30, 2023; she also spoke of the projected cash flow for the next few months prior to receiving WIFIA loan funding. GM Lockwood reiterated that the WFIA loan closing is still anticipated to occur on February 20, 2024. GM Lockwood stated PV Water's interview with S&P Global occurred Monday, January 8, 2024, and that staff anticipates receiving the updated credit rating by the end of the week.

**Action:** Director Newell moved to accept the financial reports and recommend the Board approve them; seconded by Director Sanchez.

The motion carried following vote:

Ayes: **Culbertson, Newell, Sanchez**  
Noes: **None**  
Abstain: **None**

Absent: **None**

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

FASM Trevino presented the Accounts Receivable Aging Report, as of December 31, 2023, and spoke to balances of \$192,000 that are over 120-days old and are being pursued by legal counsel to collect payment. FASM Trevino also presented the Accounts Payable reports and addressed questions and comments from the Committee.

**Action:** Director Newell moved to accept the cash flow reports and recommend the Board approve them; seconded by Director Sanchez.

The motion carried following vote:

Ayes: **Culbertson, Newell, Sanchez**

Noes: **None**

Abstain: **None**

Absent: **None**

- 12. Discuss Future Agenda Items and Next Meeting Date:** The Committee made no recommendations for any future agenda items. The next regular meeting date is set for Tuesday, Feb 13, 2024, 3:00 p.m.

Adjournment: 4:37 p.m.