



**ADMINISTRATION & FINANCE COMMITTEE
MEETING MINUTES of
Tuesday, February 13, 2024, 3:00 p.m.
PV Water, 36 Brennan Street, Watsonville**

Chair Culbertson called the meeting to order at 3:00 p.m.

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

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

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

Others Present: None

2. **Director Comments:** Director Newell stated she, Director Bannister, and GM Lockwood, under the guidance of Special Counsel, Scott Ferguson, executed the WIFIA loan documents on Monday, February 12, 2024. The formal WIFIA closing is scheduled to occur on Tuesday, February 20, 2024.

3. **Public Comments:** None

4. **Consider Approving Minutes of January 9, 2024, Committee Meeting:**

Action: Director Newell suggested correcting the wording in item 9 from “accept the cash flow reports” to “accept the quarterly financial reports” and correcting the wording in item 10 from “accept the cash flow reports” to “accept the financial reports” from the January 9, 2024, meeting minutes. Director Newell moved to approve the January 9, 2024, meeting minutes with the suggested changes; seconded by Director Sanchez.

The motion carried following vote:

Ayes: **Culbertson, Newell, Sanchez**

Noes: **None**

Abstain: **None**

Absent: **None**

5. **Consider Accepting Quarterly Reports:**

GM Lockwood highlighted the Budget vs. Actual reports, the current version of which show a mid-year trend of how the Agency’s financials are tracking. He also mentioned

that some planned budgeted expenditures will be pushed into FY24-25. The biggest change is related to the timing of capital project contracts and rendering of professional services. GM Lockwood spoke about currently budgeted land acquisition & easements moving to the next fiscal year along with future well drilling & monitoring. FASM Trevino spoke to the overall trend in revenue, anticipating a potential increase in the upcoming budget amendment. GM Lockwood highlighted selected vendors in the Contract Commitments Report to show where certain vendors are tracking and identifying possible contract renewals. FASM Trevino spoke to the difference between vendor contracts that have been completed versus contracts with expired termination dates.

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

The motion carried following vote:

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

6. Consider Accepting Financial Reports:

FASM Trevino highlighted the Agency's cash balance as of December 31, 2023, noting that the BNY Mellon 2023 COP funds were fully liquidated as of Monday, February 12, 2024. College Lake expenditures for services rendered in January will be covered using Agency cash. The Agency's first WIFIA draw is expected to take place mid-March with receipt of funds expected by April 1, 2024. Mechanics Bank has continued to increase the interest rate on the money market accounts. GM Lockwood mentioned Santa Cruz County Bank has reached out to the Agency to present their suite of financial and investment offerings.

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**

7. Consider Accepting Cash Flow Reports:

FASM Trevino updated the Committee regarding the aging A/R balances as of January 31st, 2024. Payments for the December billing continue to be received, past-due notices have been mailed and the A/R balance over 120 days shows an increase of over \$100K compared to one-year ago, which continues to be pursued via legal action.

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**

8. **Discuss Future Agenda Items and Next Meeting Date:** GM Lockwood mentioned the Agency's preliminary budget will be presented to the Board in April. He also stated that DWR, Carmel Brown et al, is encouraging the Agency's participation in a Watershed Resiliency Pilot Program. This is not a grant that needs to be applied for but rather the state is approaching the Agency for its inclusion. The funding is approximately \$2 million to spend through June of 2026 and potentially longer, with certain administrative & operational deliverables and tasks to complete. A roundtable discussion ensued regarding the Agency's participation. GM Lockwood stated there are no action items for the next scheduled Board Meeting, on February 21, 2024, with the option to either cancel or proceed with the meeting. The next regular committee meeting date is set for Tuesday, March 12, 2024, 3:00 p.m.

Adjournment: 4:10 p.m.