PAJARO VALLEY WATER MANAGEMENT AGENCY

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ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES of Tuesday, April 1, 2025, 3:00 p.m. PV Water, 36 Brennan Street, Watsonville

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

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

   Committee Members Present: Bob Culbertson (Chair), Amy Newell (Vice Chair)
   Committee Members Absent: Stephen Rider (Excused)
   Staff Present: Brian Lockwood, General Manager (GM), Nancy Trevino (FASM), Priscilla Sanchez (FA), Asia Valdivia (EA/BS)
   Others Present:

2. **Director Comments:** None

3. **Public Comments:** None

4. **Consider Approval of March 11, 2025, Administration & Finance Committee Meeting Minutes:**
   Action: Director Newell moved to approve the March 11, 2025, meeting minutes; seconded by Director Culbertson.

   The motion carried following vote:

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

5. **Consider Preliminary Budget for Fiscal Year Ending June 30, 2026:**
   GM Lockwood presented the proposed preliminary budget for the fiscal year ending June 30, 2026 (FY25-26). Budgeted revenue of $25 million compared to budgeted expenditures of $37 million is expected to result in a budget deficit of $11 million. The deficit would be covered by funds in PV Water's bank accounts. Professional Services is the largest budgeted expense category. Construction of the College Lake Project will be completed in FY25-26 and will go into operation immediately thereafter. GM Lockwood spoke of capital projects related to the Recycled Water Facility, SCADA, the Sloughs Projects, and Basin Monitoring Improvements. GM Lockwood spoke about the replacement of several valves on the Coastal Distribution System, as part of facilities maintenance over the next 3-5 years. "Chemicals" are a newly budgeted

expense in FY25-26 due to the College Lake Facility becoming operational. Also in the budget are funds allocated for a rate-setting study. Director Culbertson asked about the year-over-year change in debt financing proceeds to which FASM Trevino explained PV Water's use of WIFIA funding for the College Lake Project and the WSS-MARR Project. Director Culbertson asked what is included in the Rental & Other Revenue category to which GM Lockwood and FASM Trevino responded that PV Water collects rent for leased property used for agriculture and rental income from a residence.

Action: Director Newell moved to recommend the Board approve the Preliminary Budget for Fiscal Year Ending June 30, 2026; seconded by Director Culbertson.

The motion carried following vote:

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

6. **Consider Accepting Financial Reports:**
FASM Trevino reported PV Water's cash position as of February 28, 2025, with a balance of just over $25 million.

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

The motion carried following vote:

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

7. **Consider Accepting Cash Flow Reports:**
FASM Trevino presented the Accounts Payable Report for March, 2025, and noted the Accounts Receivable Aging Report was not available due to the meeting occurring on April 1, but would be included in the April 16, 2025 Board packet . Ms. Trevino also reported significant gains made with delinquent customers who have recently either completely paid off or significantly paid down balances owed. Ms. Trevino reported on check and ACH payments issued in March. Roundtable discussion ensued.

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

The motion carried following vote:

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

8. **Discuss Future Agenda Items and Next Meeting Date:** Staff presented the following future agenda item: a ribbon cutting for the completion of the College Lake Project and an updated Cash Reserve Policy. The next regular meeting date is set for Tuesday, May 6, 2025, at 3:00 p.m.

   Adjournment: 3:55 p.m.