PAJARO VALLEY WATER MANAGEMENT AGENCY

36 BRENNAN STREET • WATSONVILLE, CA 95076
TEL: 831) 722-9292 FAX: 831) 722-3139
email: info@pvwater.org • https://www.pvwater.org

ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES of Tuesday, August 12, 2025, 3:00 p.m. PV Water, 36 Brennan Street, Watsonville

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

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

   Committee Members Present: Bob Culbertson (Chair), Nolberto Hernandez
   Committee Members Absent: Stephen Rider
   Staff Present: Brian Lockwood, General Manager (GM), Nancy Trevino (FASM), Priscilla Sanchez (FA)
   Other Attendees: Doug Daykin, Robert Rodoni

2. **Director Comments:** None

3. **Public Comments:** None

4. **Election of Officer: Vice Chair**

   Action: Director Culbertson moved to nominate Director Hernandez as Vice Chair of the Administration and Finance Committee until the next election takes place in January 2026; seconded by Director Hernandez.

   The motion carried following vote:

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

5. **Consider Approval of July 8, 2025, Administration & Finance Committee Meeting Minutes:**

   Action: Director Hernandez moved to approve the July 8, 2025, meeting minutes; seconded by Director Culbertson.

   The motion carried following vote:

   Ayes: **Culbertson, Hernandez**
   Noes: **None**

Abstain: **None**
Absent: **Rider**

6. **Consider Rate Setting Process and Formation of a Rate Setting Committee**
GM Lockwood reported that the Board of Directors has historically favored smooth rate increases over time rather than sharper, more abrupt rate increases. With the last rate increase of Ordinances 2021-01 and 2021-02 set to take effect on December 1, 2025, the Board, should it choose to continue with annual rate increases effective each December 1 has until approximately October 2026 to adopt new ordinances adjusting the rates To meet this timeline, staff recommends that the Board take action to form an Ad Hoc Funding Committee, retain consultant support, and begin the rate setting process. Community outreach and engagement through the Ad Hoc Funding Committee will be a critical part of the process. Roundtable discussion ensued.

   Action: Director Hernandez moved to recommend that the Board establish an Ad Hoc Rate Setting Committee; seconded by Director Culbertson.

   The motion carried following vote:

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

7. **Consider Accepting Quarterly Reports:**
GM Lockwood presented the contract commitments. FASM Trevino presented the budget to actual report ending June 30, 2025. Roundtable discussion ensued.

   Action: Director Hernandez moved to accept the quarterly billing reports and recommend the Board approve them; seconded by Director Culbertson.

   The motion carried following vote:

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

8. **Consider Accepting Financial Reports:**
FASM Trevino reported PV Water's cash position as of June 30, 2025, with a Total Funds balance of $28,252,331. Mr. Dakin asked about the interest rates on Agency investments and how often competitive rates are pursued. GM Lockwood referred Mr. Daykin to the Agency's Investment Policy; FASM Trevino spoke to staff's regular communication with bankers to achieve the most competitive rates. Roundtable discussion ensued.

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

The motion carried following vote:

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

9. **Consider Accepting Cash Flow Reports:**
FASM Trevino presented the Cash Flow Reports and noted the outstanding Accounts Receivable balance as of July 31, 2025, was $1,832,886. Ms. Trevino also reported on check and ACH payments issued in July. Roundtable discussion ensued.

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

The motion carried following vote:

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

10. **Discuss Future Agenda Items and Next Meeting Date:** Staff suggested the following future agenda item: review scope of services to support the Cost of Service Study. The next regular meeting date is Tuesday, September 9, 2025, at 3:00 p.m.

Adjournment: 4:43p.m.