PAJARO VALLEY WATER MANAGEMENT AGENCY

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ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES of Tuesday, September 9, 2025, 3:00 p.m. PV Water, 36 Brennan Street, Watsonville

Director Culbertson called the meeting to order at 3:14 p.m.

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

   Committee Members Present: Bob Culbertson (Chair), Nolberto Hernandez (Vice Chair), Stephen Rider,
   Committee Members Absent: None
   Staff Present: Brian Lockwood, General Manager (GM), Nancy Trevino (FASM), Priscilla Sanchez (FA), Corin Hammond (EA/BS)
   Other Attendees: Robert Rodoni, Shirley Flores Munoz, Becky Steinbruner, Nina Audino, Karell Reader

2. **Director Comments:** None

3. **Public Comments:** Ms. Steinbruner requested the PV Water Board of Directors draft a letter in opposition to the proposed Seahawk Energy Storage Facility on Minto Rd. She expressed concern the project will circumvent due process. Ms. Audino also spoke to the proposed Seahawk Facility and encouraged PV Water to recognize the dangers of lithium battery storage facilities. She requested an unbiased report to raise awareness and investigate claims made by the developer. Ms. Reader stated the harms of lithium batteries and how cleanup efforts may endanger communities: stable and unstable batteries have the potential to ignite during hauling. Ms. Munoz highlighted the impact of toxic energy on soil and agriculture in the Pajaro Valley.

4. **Consider Approval of August 12, 2025, Administration & Finance Committee Meeting Minutes:**

   Action: Director Rider moved to approve the August 12, 2025, meeting minutes; seconded by Director Hernandez.

   The motion carried following vote:

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

5. **Consider Professional Services Proposals to Support the Fiscal Year 2025-26 Rate Setting Effort**
   GM Lockwood explained the process and timeline for how the Board authorized Ad Hoc Rate Setting Committee will be established and the proposed vendors who will support the effort. Staff propose retaining Carollo Engineers to perform the financial analyses and produce the cost study due to their prior experience and existing templates/rate models from preparing the last three cost of service reports for PV Water. Staff also proposed retaining Strategy Driver, Inc., to serve as the meeting facilitator. NHA, the Agency's financial advisors, will review and opine during the process. The scope of work proposed includes up to eight meetings: four Ad Hoc Rate Setting Committee meetings, two Board meetings, and two Community meetings.

   Director Culbertson highlighted the positive impact of public input and transparency. Ms. Steinbruner asked when the public meetings will occur and stressed the importance of selecting the appropriate time of day, month, and year that is most conducive for as many as possible. Mr. Rodoni asked how the Agency knows Carollo is the most cost effective if no other quotes were obtained from other vendors. GM Lockwood explained this isn't a project, but a professional service; therefore, no formal bid process is necessary, but that PV Water may select the most qualified vendor.

   Action: Director Rider moved to accept the proposals to support the fiscal year 2025-2026 rate setting effort and recommend the Board approve them; seconded by Director Hernandez.

   The motion carried following vote:

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

6. **Consider Items to Related Carrying Out College Lake Project Adaptive Management Plan Commitments**:
   GM Lockwood summarized how the Agency intends to maintain the land in and around the College Lake Basin, as outlined in the Adaptive Management Plan (AMP). He proposed that it will be a collaborative effort with other partner agencies to address vegetation surveying & management, biological monitoring, cultural resource monitoring, mitigation measures, and other related activities. The proposed agreement with SWCA is for 5 years of services at an approximate cost of $100 thousand per year. Ms. Munoz asked if PV Water has ever involved CSUMB Agri-Business staff and students to study the area. Ms. Reader stated that she is a consultant with a local indigenous group who is formally requesting timely communication between PV Water and her client. Ms. Steinbruner expressed concern that Lakeside Organics may discover indigenous items and discard them without any tribal involvement while farming the College Lake lakebed. She supported partnering with Watsonville Wetlands Watch and possibly PV High students, who are required to perform community service hours. Ms.

Audino asked about consideration for bird species and salamanders, and other wildlife, as outlined in the Environmental Impact Report.

Action: Director Rider moved to accept the Items Related to Carrying out the College Lake Project Adaptive Management Plan and recommend the Board approve them; seconded by Director Hernandez.

The motion carried following vote:

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

7. **Consider Supplemental Well No. 3 Improvements Project:**
GM Lockwood provided some background on the Supplemental Well No. 3 Improvements Project. He noted PV Water has a 20-year well lease agreement in place, with Harvest Drive Properties, LLC, and two 10-year extension options. Initially considered as an add-on to the College Lake Project, this is now proposed to be a stand-alone project. It has a cost estimate of approximately $2 million over a two-year period. The Project will require the Board to amend the budget to move funds from the College Lake Project to create the Supplemental Well No. 3 Project. Staff anticipates expenditures of approximately $500 thousand in the current fiscal year, with the balance in the following fiscal year. The bid documents provide a schedule to achieve substantial completion by April 2027. Mr. Rodoni stated that 55 weeks to receive a pump and variable frequency drive is unacceptable. Roundtable discussion ensued.

Action: Director Hernandez moved to accept the Supplemental Well No. 3 Improvements Project and recommend the Board approve it; seconded by Director Rider.

The motion carried following vote:

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

8. **Consider Accepting Financial Reports:**
GM Lockwood reported PV Water's cash position as of July 31, 2025, with a Total Funds balance of $28,172,583. Roundtable discussion ensued.

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

The motion carried following vote:

Ayes: **Culbertson, Rider, Hernandez**

Noes: **None**
Abstain: **None**
Absent: **None**

9. **Consider Accepting Cash Flow Reports:**
GM Lockwood presented the Cash Flow Reports and noted the outstanding Accounts Receivable balance as of August 31, 2025, was $867,499. GM Lockwood also reported on check and ACH payments issued in August. Roundtable discussion ensued.

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

The motion carried following vote:

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

10. **Discuss Future Agenda Items and Next Meeting Date:** Staff suggested no future agenda items. The next regular meeting date is Tuesday, October 7, 2025, at 3:00 p.m.

Adjournment: 4:52 p.m.