PAJARO VALLEY WATER MANAGEMENT AGENCY

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ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES of Tuesday, July 7, 2026, 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), Stephen Rider, Nolberto Hernandez (Vice Chair) (arrived 3:15 p.m.)
   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 & JR Rodoni, Public

2. **Director Comments:** None

3. **Public Comments:** None

4. **Consider Approval of June 9, 2026, Administration & Finance Committee Meeting Minutes:**

   Action: Director Rider moved to approve the June 9, 2026, meeting minutes; seconded by Director Culbertson.

   The motion carried following vote:

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

5. **Consider Amending the Cash Reserve Policy for the Fiscal Year Ending June 30, 2027:**
   GM Lockwood summarized the proposed amendments to the Cash Reserve Policy for Fiscal Year Ending June 30, 2027 (pgs. 7-12 of 86, Agenda Packet). Roundtable discussion ensued.

   Action: Director Rider moved to recommend the Board approve the Cash Reserve Policy for Fiscal Year Ending June 30, 2027; seconded by Director Culbertson.

The motion carried following vote:

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

6. **Conduct Annual Review of the Statement of Investment Policy:**
GM Lockwood provided the background and importance of reviewing the Statement of Investment Policy annually (pgs. 13-23 of 86, Agenda Packet). Roundtable discussion ensued.

Action: Director Rider moved to recommend the Board approve the Statement of Investment Policy; seconded by Director Culbertson.

The motion carried following vote:

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

7. **Consider Scope of Work with Montgomery & Associates for Sustainable Groundwater Management Act Planning & Implementation Technical Support Services in an Amount not to Exceed $341,897 through June 2028:**
GM Lockwood summarized PV Water's history of collaboration with Montgomery & Associates including the development of the Groundwater Sustainability Plan (GSP) Update 2022 (GSU22). This scope of work would provide for M&A to assist PV Water with the preparation of the second periodic update of the GSP Alternative (pgs. 24-53 of 86, Agenda Packet). Roundtable discussion ensued.

Action: Director Rider moved to approve and recommend the Board approve the Scope of Work with Montgomery & Associates for Sustainable Groundwater Management Act Planning & Implementation Technical Support Services in an Amount not to Exceed $341,897; seconded by Director Hernandez.

The motion carried following vote:

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

8. **Consider Third Amendment to Agreement with Tanner Pacific, Inc., from College Lake Integrated Resources Management Project Construction Management & Inspection Services in an Amount not to Exceed $390,512:**

GM Lockwood reported on College Lake Project construction activities and noted that the contractor has yet to achieve the substantial completion milestone on the Intake and Water Treatment Plant Project. As such, the need for construction management services will continue to be necessary to support PV Water in resolving outstanding issues to bring the project to final completion (pgs. 54-66 of 86, Agenda Packet). Roundtable discussion ensued.

Action: Director Hernandez moved to approve the Third Amendment to the Agreement with Tanner Pacific, Inc., for College Lake Integrated Resources Management Project Construction Management & Inspection Services in an amount not to exceed $282,019.20 through December 31, 2026. Additional funding in the amount of $108,492.80 for the period January 1, 2027 through June 30, 2027, would be available through the Third Amendment pending a second Board authorization, and that the Board approve the same; seconded by Director Rider. Roundtable discussion ensued.

The motion carried following vote:

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

9. **Consider Amendment to Agreement with Telstar for Radio Communications Evaluation & Replacement Services in an Amount Not to Exceed $33,793 through September 30, 2026:**
GM Lockwood spoke about PV Water's aging radio communication systems and discussed the upgrades recommended to keep the system operational and offset the of signal due to line-of-sight obstructions from growing trees to the construction of new building in Watsonville (pgs. 67-73 of 86, Agenda Packet). Roundtable discussion ensued.

Action: Director Rider moved to accept and recommend the Board approve the Amendment to Agreement with Telstar for Radio Communications Evaluation & Replacement Services in an Amount Not to Exceed $33,793 through September 30, 2026; seconded by Director Hernandez.

The motion carried following vote:

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

10. **Consider Purchase of a Forklift in an Amount Not to Exceed $45,000:**
GM Lockwood explained PV Water's need to purchase a forklift to move pallets of equipment and materials safely at the College Lake Project, including at the warehouse and surrounding areas on site (pgs. 74-75 of 86, Agenda Packet).

Action: Director Rider requested to look at specific needs of the Agency before purchasing a forklift and moved to accept and recommend the Board approve the purchase of a Forklift in an amount not to exceed $50,000; seconded by Director Hernandez.

The motion carried following vote:

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

11. **Consider Finance & Administrative Services Manager Recruitment**
GM Lockwood explained the challenges of the recruitment process and summarized staff's efforts to hire a FASM ahead of FASM Trevino's upcoming retirement.

Action: If no candidates apply within the next 2 weeks, Director Rider moved to approve the pursuit of hiring a recruiting agency to assist with hiring a Finance & Administrative Services Manager, in an amount not to exceed $60,000, and have the Board approve it; seconded by Director Hernandez.

The motion carried following vote:

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

12. **Consider Accepting Financial Reports:**
FASM Trevino reported PV Water's cash position as of May 31, 2026, with a Total Month End Fund balance of $30,410,722 (pgs. 76-77 of 86, Agenda Packet).

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

The motion carried following vote:

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

13. **Consider Accepting Cash Flow Reports:**
FASM Trevino presented the Cash Flow Reports (pgs. 78-86 of 86, Agenda Packet) and noted the outstanding Accounts Receivable balance as of June 30, 2026, was $5,901,389 to include the final billing of fiscal year ending June 30, 2026. Internal collection efforts

continue to secure payment from delinquent customers. FASM Trevino also reported on check and ACH payments issued in June.

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

The motion carried following vote:

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

14. **Discuss Future Agenda Items and Next Meeting Date:** The Committee suggested future items to include: discussion of cost of service study to understand the impact of a possible delivered water rate delay, for up to two-years, due to the timing of the College Lake Facility becoming fully operational. The next regular meeting date is Tuesday, August 11, 2026.

Adjournment: 5:21 p.m.