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

Board of Directors Meeting
April 16, 2025, 6:00 p.m.

City of Watsonville
Council Chambers
275 Main St., 4th Floor
Watsonville, CA

BOARD MEETING MINUTES

1. **Call to Order:** The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order at 6:01 p.m. by Chair Rider, at City of Watsonville Council Chambers, 275 Main St., 4th Floor, Watsonville, California

2. **Swear in Newly Appointed Director**

   The swearing in of the newly appointed director was postponed.

3. **Roll call of the PV Water Directors:**

Board Members Present:	Chair Rider Vice Chair Bannister Treasurer Culbertson Director Newell Director Broz
Board Members Absent:	None
Staff Members Present:	Brian Lockwood, General Manager (GM) Marcus Mendiola, Water Conservation and Outreach Specialist (WCOS) Nancy Trevino, Finance & Administrative Services Manager (FASM) Asia Valdivia, Executive Assistant/Board Secretary (EA/BS)
Others Present:	Anthony Condotti, Agency Counsel (AC) James Anderson, LAFCO Candidate Via Teleconference: Tom Rider (Community Member)

4. **Pledge of Allegiance:**

5. **Oral Communications: None**

6. **Closed Session – 2 Items:**
   A. **Conference with Real Property Negotiators – (Cal. Gov't Code §54954.5 & 54956.8) Property APN's & Owners, WSS-MARR**
   1) 052-081-37, Land Trust of Santa Cruz County;
   2) 052-551-05, 052-221-09, 23 & 24, Arnold (CA) LLC;
   3) 052-551-03 & 04, Good Earth Lands, LLC;
   4) 052-551-02, SC Lands, Inc.;
   5) 052-551-01, Struve Ranch, LLC;
   6) 052-211-26, LMC Properties LLC;
   7) 052-211-12, 14 & 15, Eric and Nancy Rochelle Trustees & Peter Ottesen Trustee; Eric Rochelle and Nancy L. Rochelle, Trustees of the Rochelle Family Trust U/A Dated April 21, 2006; and Peter J. Ottesen, as Trustee of the Child's Trust Under the Otto J. Ottesen Revocable Trust Dated February 13, 1992;
   8) 052-181-18 & 20, Ocean Field Holdings, LLC;
   9) 046-151-36 & 37, Kitayama Brothers, Inc.;
   10) 052-191-59, 650 Howard 2017, LLC; Junco Partner Holdings LLC; and Caravan Holdings LLC;
   11) 052-221-14 & 17, Watsonville Exchange, Inc.

   Agency Negotiators: Brian Lockwood, Richard Smith
   Under Negotiation: Price, terms of payment or both

   B. **Public Employment/Conference with Labor Negotiators - (Cal. Govt. Code §§54957, 54957.6)**
   Title: General Manager
   Agency designated representative(s): Chair and Vice-Chair; General Counsel
   Unrepresented employee: General Manager

   Open Session resumed at 7:09 p.m.
   Report on Closed Session – AC Condotti reported the Board met to consider the two items as listed on the posted Agenda. There was no reportable action.

7. **Director Comments:**

Treasurer Culbertson commented that he attended a community event at the Church of Nazarene in Watsonville where approximately 250 concerned community members gathered to discuss the potential building of a battery storage facility at an orchard on Minto Road which is close to a number of residences/apartments and College Lake. Given the recent battery facility fire in Moss Landing, community members expressed concerns about the potential for fire at the proposed new facility and how that fire could impact water quality for the Pajaro Valley, among other things.

8. **Counsel Report: None**

9. **General Manager Report:**

Regarding the potential battery storage facility on Minto Road, GM Lockwood added there were other properties considered (i.e. off of Paulsen Road), however an application to build the battery storage plant on Minto Road has already been submitted to PG&E. A potential fire could have

negative impacts on PV Water's College Lake Project. GM Lockwood stated that PV Water staff would review environmental documentation, once available, and he will invite the project proponents to deliver a presentation to the PV Water Board of Directors. GM Lockwood announced that Water Conservation & Outreach Specialist, Marcus Mendiola, led the first ever Focus Ag tour of the Recycled Water Facility. He reported that one of the long-term past due customers with whom PV Water reached a payment agreement recently paid their balance in full after three months, and that staff continue to diligently pursue other delinquent customers.

10. Consent Agenda

A. Approve March 19, 2025, Board Meeting Minutes
B. Approve Financial Reports

Action: Vice Chair Bannister moved to approve the Consent Agenda as presented; seconded by Director Newell.

Motion carried by the following voice vote:

AYES:	Rider, Bannister, Culbertson, Newell, Broz
NOES:	None
ABSENT:	None
ABSTAIN:	None

11. Informational Items

Received Projects & Programs Update from GM Lockwood, a summary of which is available in the staff report. College Lake Project Update presentation slides are available at www.pvwater.org/director-agendas.

12. Discussion and/or Action Items

A. Consider Adopting Preliminary Budget for Fiscal Year Ending June 30, 2026

GM Lockwood and FASM Trevino co-presented proposed preliminary budget for Fiscal Year 2025-26. They noted that the Administrative and Finance Committee had reviewed the proposed budget during its April 1, 2025, meeting, and voted to recommend the Board approve it. Presentation slides are available at www.pvwater.org/director-agendas.

Action: Director Newell moved to adopt the preliminary budget for fiscal year ending June 30, 2026, as presented; seconded by Vice Chair Bannister.

Motion carried by the following voice vote:

AYES:	Rider, Bannister, Culbertson, Newell, Broz
NOES:	None
ABSENT:	None
ABSTAIN:	None

B. Reconsideration of Board of Directors March 19, 2025, Motion Concerning Resolution 2025-02, Finding, Determining, and Declaring that the Public Interest and Necessity Require the Interests in Certain Real Property (Assessor's Parcel Numbers 052-181-18, 052-181-20) by Eminent Domain

AC Condotti introduced this item. He summarized Resolution 2025-02, Finding, Determining, and Declaring that the Public Interest and Necessity Require the Interests in Certain Real Property (Assessor's Parcel Numbers 052-181-18, 052-181-20) by Eminent Domain. He also summarized the process by which the Board could act to reconsider the resolution during a future Board meeting. To do so, Board would need to first suspend its rules of order by a two thirds majority vote, which for PV Water is five out of a possible seven Directors.

Actions:
Director Newell moved to suspend the rules of order; seconded by Treasurer Culbertson. Chair Rider requested a roll call vote.

Motion carried by roll call vote:
AYES: Rider, Bannister, Culbertson, Newell, Broz
NOES: None
ABSENT: None
ABSTAIN: None

Director Newell moved to reconsider resolution 2025-02 at a future Board of Directors Meeting; seconded by Treasurer Culbertson.

Motion carried by the following voice vote:

AYES: Rider, Bannister, Culbertson, Newell, Broz
NOES: None
ABSENT: None
ABSTAIN: None

C. Consider Santa Cruz Local Agency Formation Commission Run-Off Election for Special District Regular & Alternate Member Seats

GM Lockwood presented this item and informed Board neither candidate received enough votes to win either the special district seat or the alternate. The result is a run-off election. The deadline to submit the ballot is May 1, 2025. See additional details in Board Agenda Packet.

LAFCO Special District Commissioner, Chair, and candidate Jim Anderson addressed the Board and public. Mr. Anderson is the current sitting Chair and has been for 20 years. Mr. Anderson has a background in engineering, has dedicated 25-30 years of his life to community service including taking care of the Felton Cemetery after retirement for the last nine years, running a cooperative wine business for 11 years, and serving in the Felton Fire District since 1999. Mr. Anderson mentioned he is not a campaigner, however, he has institutional knowledge and hopes to gain PV Water's vote.

Action: Director Newell moved to delegate authority to Chair Rider to cast the ballot for the LAFCO run-off election on behalf of the Board; seconded by Treasurer Culbertson.

Motion carried by the following voice vote:

AYES: Rider, Bannister, Culbertson, Newell, Broz
NOES: None

ABSENT: None
ABSTAIN: None

13. Monthly Reports/Presentations

A. Facility Operations Report

Received 2025 Supplemental Water Production Monthly Summary as of March 2025 from GM Lockwood. GM Lockwood added that the updated Water Users Handbook is currently being reviewed, and it will be presented at a future Board meeting after being presented to the Projects and Facility Operations Committee. Staff is tentatively planning a Delivered Water Customer Workshop for June 10, 2025, pending approval from the Projects & Facility Operations Committee.

B. Board Committee Reports available at www.pvwater.org
C. Public Outreach Update

WCOS Marcus Mendiola reported that four Advanced Placement (AP) Environmental Science classes from Aptos High School toured the Recycled Water Facility. The Pajaro Valley Chamber of Commerce & Agriculture Business Expo and Job Fair was on April 10, 2025; PV Water had a table. Save the date for the College Lake Project Ribbon Cutting ceremony, August 8, 2025. An Earth Day celebration will be held at Watsonville City Plaza on April 27, 2025, and PV Water will have a table there. A group of California State University Monterey Bay students will be touring the Recycled Water Facility on April 30, 2025.

14. Correspondence

15. Future Meetings

A. Projects & Facility Operations Committee, Wednesday, April 30, 2025, 3:00 p.m., Water Resources Center, 500 Clearwater Lane, Watsonville
B. Administration & Finance Committee, Tuesday, May 6, 2025, 3:00 p.m., PV Water Conference Room, 36 Brennan St., Watsonville
C. Board of Directors, Wednesday, May 21, 2025, 6:00 p.m., Pajaro Valley Water Management Agency, 36 Brennan Street, Watsonville
D. Projects & Facility Operations Committee, Wednesday, May 28, 2025, 3:00 p.m., Water Resources Center, 500 Clearwater Lane, Watsonville

16. Future Agenda Items

Adjourned at 8:39 p.m.

Asia Valdivia

Asia Valdivia, Board Secretary

05/21/25

Date Approved