PAJARO VALLEY WATER MANAGEMENT AGENCY
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Board of Directors Meeting
August 20, 2025, 7:00 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 7:02p.m. by Chair Rider, at City of Watsonville Council Chambers, 275 Main Street, 4th Floor, Watsonville, California.

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

Board Members Present:	Stephen Rider, Chair Mary Bannister, Vice Chair Bob Culbertson, Treasurer Amy Newell, Director Tom Broz, Director Nolberto Hernandez, Director
Board Members Absent:	C.J. Miller, Director (Excused)
Staff Members Present:	Brian Lockwood, General Manager (GM) Nancy Trevino, Finance & Admin Services Manager (FASM) Asia Valdivia, Executive Assistant/Board Secretary (EA/BS) Marcus Mendiola, Water Conservation and Outreach Specialist (WCOS)
Others Present:	Doug Daykin, Public Mike Jaeger, Tanner Pacific, Inc. (TPI) Via Teleconference: Tony Condotti, Agency Counsel (AC) Kiersten Hoff, Public Tom Rider, Public

3. **Pledge of Allegiance:**

4. **Oral Communications: None**

5. **Director Comments:**
Director Newell reported that she attended a Groundwater Resources Association (GRA) Central Coast Branch meeting on August 14, 2025. The meeting was themed "Managing Demand: Shared Challenges, Divers Approaches from Agricultural Basins Across California." The panelists included GM

Lockwood, Aaron Fukuda, General Manager of Tulare Irrigation District and Interim General Manager of the Mid-Kaweah Groundwater Sustainability Agency (GSA), Piret Harmon, General Manager of the Salinas Valley Basin GSA, and Russ Mcloughlin, Partner, O'Melveny & Meyers. Director Newell also attended the August 19, 2025, Pajaro River Watershed Resilience Plan Community Workshop, held in Watsonville on August 19, 2025. Director Culbertson noted that he also attended the Workshop.

Director Bannister commented on the College Lake Project Ribbon Cutting Event. She stated the event was great, and she thanked staff and everyone who helped to plan the event. Director Bannister congratulated GM Lockwood on the milestone achievement.

Chair Rider noted the College Lake Project Ribbon Cutting Event was the culmination of 32 years of work. He stated his congratulations and thanked everyone who has contributed over the years. Chair Rider articulated the importance of the project to the community.

6. **Counsel Report:** None

7. **General Manager Report:**
GM Lockwood stated that he appreciated Director Newell joining him at the GRA Central Coast Branch meeting. He noted it was the first time the Central Coast Branch had held a meeting north of San Luis Obispo (the meeting was in Salinas). He enjoyed participating in a panel composed of such distinguished speakers. GM Lockwood announced that registration is open for the fall ACWA conference in San Diego.

EA/BS Valdivia announced she will be leaving PV Water this week. She expressed appreciation for the time she spent working with both the Board and staff.

8. **Consent Agenda**
   A. Approve July 16, 2025, Board Meeting Minutes
   B. Approve Financial Reports

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

Motion carried by the following voice vote:

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

9. **Informational Items**
   A. Receive Project and Programs Update

GM Lockwood summarized items provided in the staff report. He highlighted that PV Water and consultants hosted the third Pajaro River Watershed Resilience Program Community Workshop, focused on "Initial [Climate] Adaptation Strategies," on August 19, 2025. Approximately 75 people attended the Workshop, which was held in the Watsonville Community Room. Attendees listened to presentations of the effort at large, then separated into smaller working groups to discuss an array of topics that will be incorporated into the Plan. The Watershed Resilience Program Pilot Study is funded by a $2 million grant from the California Department of Water Resources.

Regarding Collete Lake Project and the Adaptive Management Plan (AMP), he reported that the Projects & Facility Operations Committee meeting scheduled for August 27, 2025, will be focused on reviewing the Water Year 2024 Pre-Operations Annual Report; staff will email members of the former Ad Hoc AMP Committee and invite them to attend. Lastly, GM Lockwood reported that staff met with Salinas Valley Basin Groundwater Sustainability Agency staff for a Sustainable Groundwater Management Act (SGMA) Inter-Basin Coordination Meeting.

10. Discussion and/or Action Items

A. Consider Second Amendment to Agreement with Tanner Pacific, Inc., for College Lake Integrated Resources Management Project, Construction Management & Inspection Services, in an Amount Not to Exceed $624,145

GM Lockwood introduced this item and summarized the reasons for the proposed Second Amendment as documented in the staff report. He noted the agreement is for time and materials, and that Project is taking longer to complete than was originally estimated. GM Lockwood invited Mike Jaeger, Construction Manager with Tanner Pacific, Inc. (TPI) to address questions from the Board and public. It was noted that PV Water is assessing liquidated damages on the Pipeline Project, and that some costs could be recovered through the $456,000 assessed to date. TPI staff is continuing to provide construction management services on the Water Treatment Plant Project and is continuing to work on closeout activities on the Treated Water Pipeline Project. Amendment No. 2 includes $461,406 for plus $162,739 in contingency should the work continue into 2026.

Doug Daykin, a member of the public, expressed concerns about amount of funding TPI has previously been provided and is currently seeking.

Director Newell commented on the nature of the work and the importance of having a construction management on a job of this size. Director Broz inquired about the chances of project closeout extending into 2026. Mr. Jaeger stated TPI's staff is working hard to close out the project, but it is not possible to know precisely when final completion will be achieved.

Action: Director Newell moved to approve, in substantially the same form as the version included in the Board Packet, Amendment No. 2 with Tanner Pacific, Inc.; seconded by Treasurer Culbertson.

Motion passed by the following voice vote:

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

B. Consider Rate Setting Process and Formation of an Ad Hoc Rate Setting Committee

GM Lockwood presented a brief history of PV Water's rate setting efforts from 2010 through 2021. He summarized the discussion held by the Administration and Finance Committee during its August 12, 2025, meeting, which resulted in a recommendation that the Board form an Ad Hoc Rate Setting Committee and directs staff to advance the effort.

Doug Daykin addressed the Board and inquired how the Agency could raise rates at a level higher than the annual Consumer Price Index (CPI). Mr. Daykin encouraged the Board to keep it fair so that folks in the Valley want to continue to work with the Agency.

Treasurer Culbertson summarized the Administration & Finance Committee discussion, including the desire to form an Ad Hoc Committee for the purpose of engaging the public to participate in the rate setting process.

Action: Treasurer Culbertson moved to form an Ad Hoc Rate Setting Committee as described in the staff report and appoint three directors to serve on it; seconded by Director Hernandez.

Motion carried by the following voice vote:

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

11. Monthly Reports/Presentations

A. Facility Operations Report
Received 2025 Supplemental Water Production Monthly Summary as of July 2025, see 2025 Production Report as of July in Agenda Packet.

B. Board Committee Reports available at www.pvwater.org

C. Public Outreach Update
WCOS Mendiola reported that Board meetings are advertised on social meeting platforms, through public posted agendas, and verbally. He is looking forward to the Santa Cruz County Fair, where PV Water will host an outreach booth. He also reported that numerous news outlets, including the Aptos Times, Univision, The Pajaronian, Lookout Santa Cruz, ACWA, and others, provided positive coverage of the College Lake Ribbon Cutting Event.

12. Correspondence

13. Future Meetings

A. Projects & Facility Operations Committee Meeting, Wednesday, August 27, 2025, 3:00 p.m., Water Resources Center, 500 Clearwater Lane, Watsonville
B. Administration & Finance Committee, Tuesday, September 9, 2025, 3:00 p.m., PV Water Conference Room, 36 Brennan St., Watsonville
C. Board of Directors, Wednesday, September 17, 2025, 7:00 p.m., City Council Chambers, 275 Main Street, 4th Floor, Watsonville
D. Projects & Facility Operations Committee, Wednesday, September 24, 2025, 3:00 p.m., Water Resources Center, 500 Clearwater Lane, Watsonville

14. Future Agenda Items

Adjourned at 8:37 p.m.

Signature for A Valdivia
Asia Valdivia, Board Secretary

9/17/25
Date Approved