PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting
September 17, 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 6:02 p.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 C.J. Miller, Director
Board Members Absent:	Nolberto Hernandez, Director
Staff Members Present:	Brian Lockwood, General Manager (GM) Nancy Trevino, Finance & Admin Services Manager (FASM) Corin Hammond, Executive Assistant/Board Secretary (EA/BS) Marcus Mendiola, Water Conservation and Outreach Specialist (WCOS)
Others Present:	Victoria Thompson, Agency Counsel (AC) Becky Steinbruner, Public
	Via Teleconference: Tom Rider, Public Kiersten Hoff, Public Alena Norcott, Consultant, ESA Gary Kittleson, Consultant, KEC Ellen Cross, Consultant, Strategy Driver, Inc. Ricky Gutierrez, Consultant, Carollo Engineers Jennifer Ivey, Consultant, Carollo Engineers

3. **Pledge of Allegiance:**

4. **Oral Communications:**
Becky Steinbruner requested that PV Water prepare a letter to the Santa Cruz Board of Supervisors in opposition to the proposed Seahawk Battery Emery Storage System (BESS) at 90 Minto Road, Watsonville, citing potential safety concerns, the proximity of the site to College Lake, and the use of 17 acres of agricultural land.

5. **Closed Session:**

Open Session Resumed at 7:09 p.m.

Report on Closed Session:
Council Thompson (AC) provided a summary of the closed session.

A. **Conference with Real Property Negotiators – (Cal. Gov't Code §54954.5 & 54956.8)**
Property APN's & Owners, WSS-MARR
No reportable action.

B. **Conference with Legal Counsel – Anticipated Litigation**
Initiation of Litigation Pursuant to Gov't Code § 54956.9(d)(4)
(*3 potential cases)*
The Board voted unanimously to give staff the ability to further find a solution and if not successful, file litigation

6. **Director Comments:**
Chair Rider thanked attendees for their participation in the Santa Cruz County Fair.

Director Newell shared that she listened to KAZU's recent report on nitrate contamination in the Salinas Valley and expressed concern. The report is available online here:
Farm fertilizers contaminate thousands of wells in the Salinas Valley | 90.3 KAZU
https://www.kazu.org/kazu-news/2025-09-03/farm-fertilizers-contaminate-thousands-of-wells-in-the-salinas-valley

7. **Counsel Report:** None

8. **General Manager Report:**
GM Lockwood attended the Central Coast Climate Workshop on September 9, 2025, at Moss Landing Marine Labs. The workshop was co-hosted by the Monterey Bay Climate Adaptation Action Network (MBCAAN) and the Wetlands for Climate Partnership. Many partner agencies presented work pertaining to climate resilience within the Monterey Bay area. Today, GM Lockwood, along with PV Water staff, met with staff from the United States Government Accountability Office (GAO), regarding the Water Infrastructure Finance and Innovation Act (WIFIA). PV Water staff took the GAO representatives on a tour of the College Lake Project, which received WIFIA funding. Lastly, Associate Hydrologist Meusel and GM Lockwood participated in a series of meetings with the Land Trust of Santa Cruz County, the US Army Corps of Engineers (USACE), and Santa Cruz County staff regarding the Watsonville Slough Estuary Restoration Project. PV Water staff submitted a comment letter to the USACE on this matter.

GM Lockwood introduced PV Water's newest team member, EA/BS, Corin Hammond.

9. **Consent Agenda**
A. Approve August 20, 2025, Board Meeting Minutes

B. Approve Financial Reports

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

Motion carried by the following voice vote:

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

10. Informational Items

A. Receive Project and Programs Update

GM Lockwood provided status updates on the Multi-Benefit Land Repurposing Program (MLRP), which is funded by the Department of Conservation, and the Pajaro River Watershed Resilience Pilot Program, which is funded by the Department of Water Resources (DWR). He reported on the College Lake Project including the Treated Water Pipeline Project contract closeout negotiations, environmental monitoring activities, and the Adaptive Management Plan implementation. GM Lockwood concluded with a brief update on the Watsonville Slough System Managed Aquifer Recharge & Recovery Projects and the Sustainable Groundwater Management Act (SGMA) Well Monitoring Network Expansion. Details are available in the staff report.

11. Discussion and/or Action Items

A. <u>Consider Actions Pertaining to the Fiscal Year 2025-26 Rate Setting Effort:</u>

A1. Agreement with Carollo Engineers for Fiscal Year 2025-26 Rate Setting Effort in an Amount Not to Exceed $223,000.

GM Lockwood reported that the proposed agreement is a key component of the overall effort. Carollo Engineers has prior experience developing PV Water's Cost of Service studies and will build from existing tools (models/text) in support of this effort. Jennifer Ivey will serve as Carollo's financial lead on the project and will be supported by engineers Ricky Gutierrez and Paul Friedlander. Carollo's detailed scope and budget is including the agreement (see page 42 of the agenda packet).

A2. Agreement with Strategy Driver, Inc., for Fiscal Year 2025-26 Rate Setting Effort – Meeting Facilitation Services, in an Amount Not to Exceed $25,000

GM Lockwood reported that Strategy Driver, Inc., will facilitate the Ad Hoc Rate Setting Committee meetings. The first two workshops are recommended to be held in person.

A3. Agreement with NHA Advisors, LLC, for Fiscal Year 2025-26 Rate Setting Effort – Municipal Financial Advisory Services, in an Amount Not to Exceed $25,000

GM Lockwood reported that NHA Advisors, LLC, will assist staff and Carollo Engineers by providing information pertaining to PV Water's existing and anticipated long-term debt. NHA assisted PV Water in issuing the 2024 Certificates of Participation and the WIFIA loans that support ongoing capital projects.

Action: Vice Chair Bannister moved to approve Actions A1 through A3 Pertaining to the Fiscal Year 2025-26 Rate Setting Effort; seconded by Director Culbertson.

Motion passed by the following voice vote:

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

A4. Appoint Three (3) Directors to Serve on the Ad Hoc Rate Setting Committee Appointment:
Following roundtable discussion, Directors Miller, Broz, and Chair Rider volunteered to serve on the Committee.

Action: Director Newell moved to appoint Directors CJ Miller, Tom Broz, and Stephen Rider to serve on the Ad Hoc Rate Setting Committee; seconded by Director Bannister.

Motion passed by the following voice vote:

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

B. <u>Consider Actions Pertaining to the College Lake Integrated Resources Management Project:</u>

B1. Accept and File College Lake Project Adaptive Management Plan Annual Report for Water Year 2024, Pre-Operations
GM Lockwood summarized the Adaptive Management Plan Annual Report for Water Year 2024, Pre-Operations. He reported that that Projects and Facilities Operations Committee received a presentation on the report during its August 27, 2025, meeting; members of the former Ad Hoc Adaptive Management Plan Committee had been invited to attend. The Committee voted in favor of recommending the Board accept and file the report, which is included in the Agenda Packet, beginning on page 67.

Action: Treasurer Culbertson moved to Accept and File College Lake Project Adaptive Management Plan Annual Report for Water Year 2024, Pre-Operations; seconded by Director Broz.

Motion carried by the following voice vote:

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

B2. Agreement with SWCA for College Lake Project Adaptive Management Plan Vegetation, Biological, and Cultural Resources Surveys in an Amount Not to Exceed $491,321 through June 30, 2030
GM Lockwood reported that staff propose the Board retain SWCA Environmental Consultants to continue providing environmental support for the College Lake Project.

Having supported the Project since 2022, SWCA would now focus on post-construction services, including continued vegetation surveys, biological, and cultural monitoring and reporting. The proposed agreement includes 5-years of services.

Action: Vice Chair Bannister moved to approve Agreement with SWCA for College Lake Project Adaptive Management Plan Vegetation, Biological, and Cultural Resources Surveys in an Amount Not to Exceed $491,321 through June 30, 2030; seconded by Director Newell.

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

B3. Agreement with Watsonville Wetlands Watch for College Lake Project Adaptive Management Plan Vegetation Management Services and Compensatory Mitigation Plan Compliance Services in an Amount Not to Exceed $100,000

GM Lockwood noted the value of partnering with Pajaro Valley local nonprofit, Watsonville Wetlands Watch (WWW), to implement the College Lake Project's Compensatory Mitigation Plan and Adaptive Management Plan. WWW plans to leverage local grants to involve youth in the work. WWW will begin with vegetation management activities in those areas as defined as high priority in the Adaptive Management Plan, Water Year 2024 Pre-Operations Annual Report. Director Broz recommended early outreach to growers to support future agricultural use.

Action: Director Newell moved to approve the Agreement with Watsonville Wetlands Watch for College Lake Project Adaptive Management Plan Vegetation Management Services and Compensatory Mitigation Plan Compliance Services in an Amount Not to Exceed $100,000; seconded by Vice Chair Bannister.

Motion passed by the following voice vote:

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

C. <u>Consider Directing Staff to Advertise for Competitive Bids for the Supplemental Well No. 3 Improvements Project, 30-62:</u>

GM Lockwood summarized the Supplemental Well No. 3 Improvements Project, 30-62, and requested Board authorization to solicit bids for the Project. The engineer's estimate is $2,082,954, with about 20% of costs expected this fiscal year. A budget amendment to reallocate funds from the College Lake Project to this project will be proposed for Board consideration on November 12, 2025.

Action: Director Newell moved to approve directing Staff to Advertise for Competitive Bids for the Supplemental Well No. 3 Improvements Project, 30-62; seconded by Vice Chair Bannister.

Motion carried by the following voice vote:

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

12. Monthly Reports/Presentations

A. Facility Operations Report
B. Board Committee Reports available at www.pvwater.org
C. Public Outreach Update
WCOS Mendiola reported the Santa Cruz County Fair was a great success, highlighting strong community engagement, a well-received booth, school outreach on Thursday morning, and participation in the pie contest.

13. Correspondence

14. Future Meetings

A. Projects & Facility Operations Committee Meeting, Wednesday, September 24, 2025, 3:00 p.m., Water Resources Center, 500 Clearwater Lane, Watsonville
B. Administration & Finance Committee, Tuesday, October 7, 2025, 3:00 p.m., PV Water Conference Room, 36 Brennan St., Watsonville
C. Board of Directors Meeting, Wednesday, October 15, 2025, 7:00 p.m., City Council Chambers, 275 Main St.,4th Floor, Watsonville
D. Projects & Facility Operations Committee Meeting, Wednesday, October 29, 2025, 3:00 p.m., Water Resources Center, 500 Clearwater Lane, Watsonville

15. Future Agenda Items

Adjourned at 8:19 p.m.

Corin Hammond, Board Secretary

10/16/2025
Date Approved