



PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting
August 19, 2015, 7:00 p.m.

City Council Chambers
275 Main Street, 4th Floor
Watsonville, CA 95076

BOARD MEETING MINUTES

1. Call to Order: The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order at 7:08 p.m. by Chair Imazio, in the City Council Chambers, 275 Main Street, 4th Floor, Watsonville, CA.

2. Roll call of the PVWMA Directors:

Board Members Present: Imazio, Newell, Persoff, Lynn, Cavanaugh, Faurot

Board Members Absent: Zamora

Staff Members Present: Mary Bannister, General Manager (GM)
Brian Lockwood, Sr. Water Resources Hydrologist (SWRH)
Laura R. Taay, Administrative Analyst (AA)
Teresa Delfino, Administrative Services Manager (ASM)
Marcus Mendiola, Water Conservation and Outreach Specialist (WCOS)
Others Present: Lauren Valk, Assistant Agency Counsel (AAC)
Erin McCarthy (Consultant), Kirk Schmidt

Public Present:

3. Pledge of Allegiance

4. Oral Communications: None

5. Director Comments: Director Newell asked the Board to reorder the agenda and consider item 10F before 10A through 10E so Erin McCarthy would not have to wait all evening for her item to be discussed and voted on. The agenda was reordered on full consensus of the Directors.

6. Counsel Report: AAC Valk reported new Case Law coming out, Great Oaks Water Company (GOWC) vs. Santa Clara Water District (SCWD) was decided in the 6th District Court of Appeals in March 2015 that groundwater pumping fees are property related charges under Proposition 218 and SCWD is required to comply with procedural and substantive requirements under that constitutional provision. Shortly thereafter the San Buenaventura case came out, heard in 2nd District Court of Appeals, which said that groundwater pumping charges are not property related fees. The 6th District Court decided to rehear GOWC and SCWD case and have some briefing on the San Buenaventura case and came out with same decision it had in March. SCWD and GOWC could file a Petition for Review with the possibility of Supreme Court putting case on hold pending its decision in the San Buenaventura case. The 6th District held strong to its analysis that it gave in the Griffiths case and the Supreme Court will look at this, one way or another, and give us definitive

guidance in about a year. GM and AAC attended a Special Meeting of the College Lake Reclamation District, which now calls itself RD 2049. RD 2049 will be holding an election in November for two of its trustee seats. Allan Harryman will be stepping down and not running for re-election. John Diffenbaugh filled a seat vacated earlier this year and would like to run for election of that seat. As a property owner at RD 2049 it was determined that a Doctrine of Incompatible offices would not allow a PVWMA Director or its General Manager run for a trustee seat. Because of some shared boundaries PVWMA mission is not aligned with that of RD 2049. Less clear if a staff member of PVWMA could run.

7. General Manager Report: None

8. Consent Agenda

- A. Approved July 2015 Minutes
- B. Approved Financial Reports for July 2015
- C. Receive Update on Capital Projects Planning, Funding and Construction
- D. Approve Contract with Atchison, Barisone, Condotti & Kovacevich naming Lauren Valk as General Counsel

Action: Director Cavanaugh moved to approve the Consent Agenda; seconded by Director Newell

Motion carried by the following voice vote:

AYES: Imazio, Newell, Persoff, Lynn, Cavanaugh, Faurot
NOES: None
ABSENT: Zamora
ABSTAIN: None

9. Informational Items – Receive Grant Award Update

Lidia Gutierrez, Gutierrez Consultants, provided a detailed Memorandum of Agency grant activity. GM shared information of the meeting she had with Cory Saltsman and Zaffar Eusuff of the Department of Water Resources (DWR) discussing the possibility of transferring unspent funds and DWR reps were agreeable:

- \$5,000 + will be transferred from the City of Watsonville Project 3 Corralitos Creek to the City of Watsonville for Chromium 6 project.
- \$595,842 will be transferred from PVWMA Grant Administration to City of Watsonville Chromium 6 Treatment project.
- Extended term of grant agreement from March 31, 2016 to June 30, 2016 that allows for the adequate completion of Project 6 Community Consensus, Project 8 Soap Lake Floodplain Preservation, and the newly identified Hexavalent Chromium Treatment project, K1 Pipeline project and Blend Well Pipeline project. The Soap Lake Floodplain Preservation (Soap Lake) project has several million dollars not yet spent. DWR reps stated if within a month Soap Lake has not made some significant progress the remaining grant money will need to be used locally and cannot be sent back to the State. There may be eligible projects with Santa Clara and San Benito Water Districts as well.
- \$396,565 will be transferred to the K1 and Blend Well Pipeline projects.
- \$204,785.91 will be transferred to the Hexavalent Chromium project.

10. Discussion and/or Action Items

- A. Consider Approval of Agreement with Erin McCarthy for Water Conservation Services in the amount of \$65,595 for a term ending June 30, 2016.

Presented by SWRH Lockwood. The Central Coast Agricultural Water Quality Coalition (Coalition) had been retained by the Agency in June 2014. The Coalition is now dissolved and Erin McCarthy has submitted a scope of work to support the implementation of the BMP Water Conservation Program to continue working with growers that are currently participating in the Agency’s multi-year irrigation efficiency program.

Action: Director Newell moved to approve the agreement with Erin McCarthy for Water Conservation Services in the amount not to exceed \$65,595.

Motion carried by the following voice vote:

AYES: Imazio, Newell, Persoff, Lynn, Cavanaugh, Faurot
NOES: None
ABSENT: Zamora
ABSTAIN: None

B. Consider Approval of Resolution 2015-23 Approving Agreement by and Between the City of Watsonville and the Pajaro Valley Water Management Agency Regarding Construction and Operation of the Water Storage and Pump Station Improvements Component of the Watsonville Area Recycled Water Project

GM reported that the bid period for the Recycled Water Storage and Distribution Pump Improvement Project was changed to bid opening on September 22, 2015 to give our agency time to secure SRF funding and allow the contractors more time to collect information. Parallel to that the agency is preparing an Agreement with the City of Watsonville (COW) addressing how the construction will take place and who will be responsible for the various components and the construction management and who pays. City staff and their attorney have reviewed the agreement and submitted minor changes; 1) City will request Title XVI grant reimbursements to construct the Recycled Water Storage and Pump Station Improvements components and 2) City will work cooperatively and with diligence in assisting PVWMA on these issues and 3) If costs are incurred by the city in assisting PVWMA, PVWMA will reimburse COW. Changes reviewed and approved by Agency Counsel Valk.

Action: Director Imazio asked to change name of Agency Counsel in the Approved as to Form section of Agreement, changing Anthony P. Condotti to Lauren Valk. Director Cavanaugh moved to approve the agreement By and Between the City of Watsonville and the Pajaro Valley Water Management Agency Regarding Construction and Operation of the Water Storage and Pump Station Improvements Component of the Watsonville Area Recycled Water Project and; Seconded by Director Newell

Motion carried by the following voice vote:

AYES: Imazio, Newell, Persoff, Lynn, Cavanaugh, Faurot
NOES: None
ABSENT: Zamora
ABSTAIN: None

C. Consider Approval of Resolution 2015-24 Adopting and Implementing Labor Compliance Provisions on Proposition 84 Grant Funded Public Works contracts

Presented by SWRH Lockwood. One of Prop 84 requirements written into the grant agreement is the monitoring of Labor Compliance for all of Proposition 84 Grant Funded Public Works. The language on the Resolution is straight from the labor compliance consultant. This is the first step to achieving requirements.

Action: Director Newell moved to approve Resolution 2015-24 Adopting and Implementing Labor Compliance Provisions on Proposition 84 Grant Funded Public Works Contracts with two minor changes to be made on Resolution 2015-24. Fifth paragraph remove the word “for” between granted and Proposition 84 and sixth paragraph, third sentence replace “District” with “Agency”; Seconded by Director Faurot.

Motion carried by the following voice vote:

AYES: Imazio, Newell, Persoff, Lynn, Cavanaugh, Faurot
NOES: None
ABSENT: Zamora
ABSTAIN: None

D. Consider Approval of Agreement with Contractor Compliance and Monitoring, Inc. in the amount of \$31,500 for Labor Compliance Program Services

Presented by SWRH Lockwood. Contractor Compliance and Monitoring, Inc. is (CCMI) a third party Labor Compliance Program Administrator and has developed a labor compliance program plan that is a standard process and approved by the Department of Industrial Relations (DIR). DIR prefers the plan to be standard for each contractor and subject to the same requirements.

Our agency did receive a competitive bid and references were contacted with positive responses received.

Action: Director Newell moved for the Board to approve the agreement with Contractor Compliance and Monitoring, Inc. in the amount of \$31,500 for Labor Compliance Program Services and authorizing staff the use of an additional amount not to exceed \$10,000 as a contingency; Seconded by Director Faurot

Motion carried by the following voice vote:

AYES: Imazio, Newell, Persoff, Lynn, Faurot
NOES: Cavanaugh
ABSENT: Zamora
ABSTAIN: None

E. Consider Tiered Rate Work Plan Approach as Recommended by the Ad Hoc Funding Committee, and adopted by the Board in May 2014

GM shared that in the spring of 2014 the Ad Hoc Funding Committee convened with a mission of “A community led effort to establish a new PVWMA rate structure for funding the implementation of the recommended BMP.” The committee voted unanimously on a motion that stated “within 18 months the agency have a formal plan in place to explore the possibility of tiered rates in the future, through a staff person dedicated to this cause.” In April 2015 the Court of Appeal issued a decision in the *Capistrano Taxpayers Association v. City of San Juan Capistrano*, holding that the City’s tiered rate structure did not meet the Prop 2018 requirements due to the City not

Board direct the General Manager to provide notice of this election to the Department of Water Resources within 30 days and to otherwise comply with the requirements of SGMA. SGMA requires that the agency hold a public hearing. A public hearing was held at tonight’s meeting and 1 public comment was received by board.

Action: Director Imazio requested on the Resolution, Item 1, Groundwater Sustainability Agency first letters be capitalized. Correction was made to change the resolution number from Resolution 2015-26 to Resolution 2015-25. Director Persoff made a motion for the Board to Adopt Resolution 2015-25 Electing to Become a Groundwater Sustainability Agency Under the Sustainable Groundwater Management Act and Direct the General Manager to provide notice of this election to the Department of Water Resources within 30 days and to otherwise comply with the requirements of SGMA; Seconded by Director Newell.

Motion carried by the following voice vote:

AYES: Imazio, Newell, Persoff, Lynn, Cavanaugh, Faurot
NOES: None
ABSENT: Zamora
ABSTAIN: None

ABSTAIN: None

G. Consider Approval of Agreement Amendment with 2nd Nature for preparation of a Salt and Nutrient Management Plan, augmenting the budget in the amount of \$56,873 for a term ending June 30, 2016

SWRH Lockwood asked the Board to consider approval of a budget augmentation in the amount of \$56,872. The original Agreement was approved July 23, 2014 in the amount of \$199,980 with an Extension of Agreement on June 11, 2015, extending termination date from June 1, 2015 to June 30, 2016. A significant amount of work, including hosting three stakeholder workshops to guide the process has been put in to developing the Pajaro Valley Salt and Nutrient Management Plan and more work remains. The augmentation amount is a conservative number. The plan is to complete the Salt & Nutrient Management Plan, send copies to Board Members and Stakeholders for comment. If approved, it will then be sent to the Regional Water Quality Control Board for approval, as required by the Recycled Water Policy.

Action: Director Cavanaugh moved for the Board to approve the budget augmentation request from 2nd Nature in the amount of \$56,873 to complete the Salt and Nutrient Management Plan; Seconded by Director Newell.

Motion carried by the following voice vote:

AYES: Imazio, Newell, Persoff, Lynn, Cavanaugh, Faurot
NOES: None
ABSENT: Zamora
ABSTAIN: None

H. Consider Expansion of Rebate Program to include Rainwater Catchment Systems in addition to Graywater Laundry to Landscape Systems

WCOS Mendiola presented to the Board the consideration of expanding PVWMA Rebate Program to consider including a Rainwater Catchment System. Staff is proposing a maximum amount of \$10,000 for the rebate program in its entirety. For a standard barrel, 50 – 100 gallons, proposed rebate is \$25 per barrel. For larger tanks, capacity starting at 100 gallons, is \$0.25 per gallon with a limit of \$750. Staff will obtain further legal review of the Rain Catchment System Rebate Application: Rules & Requirements.

Action: Director Cavanaugh moved to approve the program with further legal review of the application and associated materials; Seconded by Director Newell.

Motion carried by the following voice vote:

AYES: Imazio, Newell, Persoff, Lynn, Cavanaugh, Faurot
NOES: None
ABSENT: Zamora
ABSTAIN: None

11. Written Communications/Correspondences

12. Future Meetings

- A. Project & Facility Operations Committee, August 15, 2015, 3:00 p.m., Water Resources Center, 500 Clearwater Lane, Watsonville, CA
- B. Administrative/Finance Committee, September 15, 2015, 4:00 p.m., PVWMA Conference Room, 36 Brennan Street, Watsonville
- C. Board of Directors, September 23, 2015, 7:00 p.m., City Council Chambers, 275 Main Street, 4th Floor, Watsonville

13. Future Agenda Items - None

14. GM shared the following dates for upcoming tentative meetings and events:

- September 2, 2015, Special Board Meeting for tablet training and closed session for discussion on Employee Handbook
- September 16 – 20, Santa Cruz County Fair
- September 22, 2015, Recycled Water Storage and Distribution Pump Station Improvements bid opening
- September 30, 2015, Special Board Meeting, before or after the, Project & Facility Operations Committee meeting, to award Recycled Water Storage and Distribution Pump State Improvements bid.

Adjourned at 9:44 p.m.



Laura R. Taay, Board Secretary



Date Approved