



PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting
City Council Chambers

September 19, 2007, 7:00 p.m.
250 Main Street, Watsonville, CA

CORRECTED

SPECIAL CLOSED SESSION (5:30 p.m.)

Agenda Item

1. Conference with Legal Counsel – Pending Litigation:

Pursuant to Government Code Section 54956.9(a) - Name of Cases: James P. Scurich et al. v. PVWMA (SCSC Case No. CV 144843; 6th Civil No. H025776); PVWMA v. All Persons Interested (Case No. CV 146754; 6th Civil No. H027817); Harold W. Griffith v. PVWMA (SCSC Case No. 150716); San Andreas Mutual Water Company v. PVWMA (SCSC Case No. 150923)

Closed Session Report:

The closed session convened at approximately 5:30 p.m. with Directors Dobler, Eiskamp, Kegebein, Cervantes, Osmer and Koenig, along with General Manager Bruce Laclergue, Stephen Roberts and Sophie Froelich, Nossaman, and General Counsel Anthony Condotti. Counsel and Nossaman attorneys briefed the Board on the Supreme Court's decision to deny the Agency's petition of rehearing of the validation action. The meeting concluded at approximately 6:50 p.m. with no members of the public present.

BUSINESS MEETING MINUTES (7:00 p.m.)

1. **Call to Order, Roll Call of the PVWMA Directors, and Pledge of Allegiance:** The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order in the City Council Chambers, 250 Main Street, Watsonville, CA, at 7:10 p.m. by Chair Dobler.

Board Members Present: Dobler, Imazio, Eiskamp, Kegebein, Cervantes, Koenig, Osmer

Board Members Absent: None

Staff Members Present: Bruce Laclergue, General Manager (GM)
Mary Bannister, Technical Division Manager (TDM)
Phil Rodriguez, Accounting Supervisor & Grant Administrator
Veronica Barboza, Administrative Analyst (AA)

Others Present: Anthony Condotti, Counsel

At the beginning of the meeting, Agency Counsel reported to the Board and public that the Agency had received notice that the California State Supreme Court denied the petition of rehearing on the case.

2. **Oral Communications.** None.

- 3. Director and General Manager Comments:** Director Dobler commented that he and the GM had traveled to Washington, D.C. to meet with the California Congressional Delegation and USBR Representatives in regards to the continuing federal funding for the BMP projects. On another note; the GM explained that a draft ordinance also numbered 2007-01, a refund claim ordinance, had been inadvertently included in the Board packet. The correct Ordinance 2007-01, repealing certain sections declared invalid by the Court, was distributed to the Board and public.
- 4. Consent Agenda.**
- A. Approve Minutes of August 22, 2007
 - B. Approve Minutes of September 5, 2007
 - C. Approve Disbursement Ledger for August 2007
 - D. Approve Financial Reports for August 2007

Director Osmer asked that the paragraph just before the roll call of Item 4A, page 2, of the September 5, 2007 Minutes be corrected to read: "Motion by Director Osmer to direct the Strategic Planning and Public Outreach Committee Meeting to plan and implement a series of open community forums on water issues and 3 funding alternatives co-sponsored by interested groups, individuals and agencies over the next 3 months."

Thereafter, the following action was taken:

◆ Motion by Director Osmer to approve the minutes from September 5, 2007 as corrected.
Motion carried by the following roll call vote:

AYES: Dobler, Imazio, Eiskamp, Kegebein, Cervantes, Koenig, Osmer
NOES: None
ABSENT: None
ABSTAIN: None

5. Discussion and/or Action Items

- A. Consider adoption of Ordinance No. 2007-01, repealing Section 4 of Ordinance 2003-01 increasing the augmentation charge from \$80/af to \$120/af) and Section 4 of Ordinance 2004-02(increasing the augmentation charge from \$120/af to \$160/af) to take effect of the next quarterly billing cycle: The GM introduced this item to the Board. Agency Counsel described in detail how the proposed Ordinance 2007-01 would amend Ordinances 2003-01 and 2004-02 to comply with the Court's decision as well as that it would amend a provision of Agency Ordinance 2004-03 that, as currently written, automatically adjusts Component 1 of the Agency's charge to equal the amount of the augmentation charge. Ordinance 2007-01 would amend this provision to make future adjustments to delivered water charge subject to Board action.

Public Comments:

Mark Del Piero, Counsel for Pajaro/Sunny Mesa Community Service District: inquired, that if the board was planning on adopting the ordinance, being that the public had not had an opportunity to review the correct ordinance

Doug McKinney: Stated to the board, that the public needs to be informed.

Dave McCabe: Suggested to the board to move the 10/3/07 1:30 pm afternoon meeting to 7:00 pm, so that way more people can attend.

Board Action: The board decided to postpone this item to the next scheduled October 3, 2007 Board Meeting and moved the meeting time from 1:30 pm to 7:00 pm to allow more public participation.

◆ Motion by Director Eiskamp to postpone item 5A on the agenda to the next board meeting. Motion carried by the following roll call vote:

AYES: Dobler, Imazio, Eiskamp, Kegebein, Cervantes, Koenig, Osmer
NOES: None
ABSENT: None
ABSTAIN: None

B. Continued consideration of potential revenue alternatives to augmentation charge: Director Osmer reported that the Strategic Planning and Public Outreach (SPPO) Committee met on September 17, 2007 and again on September 19, 2007. He stated to the board that the committee came to a consensus to pursue more public forums on water issues in collaboration with the Santa Cruz and Monterey County Farm Bureaus and also came to a consensus on three acceptable funding alternatives; 1) Property Assessments, 2) A Proposition 218 Compliant Fee and lastly, 3) A Regulatory Fee; which may or may not include adjudication.

C. Consider resolution of appreciation for the Bay Area K-9 Forensic Dogs: The TDM commented to the board that the Institute for Canine Forensics volunteered their specialized cadaver dog teams to assist in the detection of potential human remains at the aircraft crash site. She further stated that the Agency was pleased to allow the following certified handler and dog teams to travel to the crash site on several occasions to participate in the search for potential human remains. Lastly, TDM stated that staff would like to acknowledge the generosity of the Institute for Canine Forensics in volunteering its time and resources and, more importantly, pay tribute to the amazing dogs for their devotion and service to humans. After further discussion, the following action was taken:

◆ Motion by Director Osmer to approve Resolution 2007-17, as presented. Motion carried by the following roll call vote:

AYES: Dobler, Imazio, Eiskamp, Kegebein, Cervantes, Osmer, Koenig
NOES: None
ABSENT: None
ABSTAIN: None

6. Reports/Information Presentations

A. Counsel Reports

1. Litigation update. Beyond his earlier reports above, Counsel had no new information to communicate.

B. Board Committee Reports. Director Osmer reported that the Administrative Finance Committee had discussed a response to the letter from San Andreas Water Mutual. Also, the committee had reviewed the Board Rules of Procedures and will consider updating them at the next Committee meeting. Lastly, the committee changed the sequence of the Project Management Quarterly Report to a semi-annual report.

C. Staff Reports.

1. Project operations report. The TDM reported that delivered water is going well, and still faces a big demand, due to lack of rain.
2. Basin Management Plan implementation report. None.
3. 2006 BMP Construction Program update

- a. Coastal Distribution System. The TDM reported that the Trafton/Bluff pipe has been laid and completed.
- b. Recycled Water facility. The TDM reported that the Agency and City were still discussing the integration of the Agency's SCADA equipment into the RWF Instrumentation Control System.

7. Written Communication/Correspondence: None.

8. Future Meetings and Agenda Items

- A. Water Quality and Operations Committee – September 20, 2007, 2:00 pm, Wastewater Treatment Facility- **(Cancelled)**
- B. Board Meeting – October 3, 2007, 1:30 pm Watsonville City Council Chamber- **(Meeting moved to 7:00 pm)**
- C. Administrative/Finance Committee – October 10, 2007, 3:00 pm, PVWMA Conference Room
- D. Projects Committee- October 17, 2007, 4:00 pm, PVWMA Conference Room
- E. Board Meeting – October 17, 2007, 7:00 pm Watsonville City Council Chamber
- F. Water Quality and Operations Committee – October 18, 2007, 2:00 pm, Wastewater Treatment Facility

9. Closed Session

- A. Conference with Legal Counsel: Liability Claims
Claimant: CM Farms
Claim against: Pajaro Valley Water Management Agency
- B. Conference with Legal Counsel: Anticipated Litigation
Initiation of litigation pursuant to subdivision (c) of Section 54956.9:
(1 potential case)

The closed session convened at approximately 8:30 p.m. with Directors Dobler, Imazio, Eiskamp, Kegebein, Cervantes, Osmer and Koenig, along with Staff Members Laclergue, Rodriguez and Condotti. During the closed session the Board took the following reportable action: By motion (Kegebein, 7-0) approved the liability claim of CM Farms in the amount of \$2,073.50, which pertains to crop losses in connection with the CDS construction project.

10. Adjourned: 9:00 pm

Bruce Laclergue, General Manager
- for -
Linda Contreras, Secretary

date approved