



PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting
City Council Chambers

January 7, 2009, 7:00 p.m.
250 Main Street, Watsonville, CA

BOARD MEETING MINUTES

1. Call to Order

2. **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 7:06p.m. by Chair Osmer.

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

Board Members Absent: Kegebein

Staff Members Present: Mary Bannister, Interim General Manager (IGM)
Veronica Barboza, Administrative Analyst (AA)
Others Present: Anthony Condotti, Counsel

3. Pledge of Allegiance

4. **Election of Board Officers:** Director Osmer stated that the Board must annually elect new Board of Director Officers by the first Board meeting of the year. After discussion the following action was taken:

◆ Motion by Director Koenig to elect Director Osmer as Chair. Motion carried by the following roll call vote:

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

◆ Motion by Director Koenig to elect Director Cervantes as Vice Chair. Motion carried by the following roll call vote:

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

◆ Motion by Director Osmer to elect Director Dobler as Treasurer. Motion carried by the following roll call vote:

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

- 5. **Oral Communications:** Joseph Pendry expressed his concerns regarding the lack of a Water Conservation Program.
Paul Smemenciak stated that he received a claim form for only a partial payment, inquired about the rest of his refund.
- 6. **Director Comments:** Director Dobler commented on the articles from the local newspaper. Also stated that he was happy to see members of the Santa Cruz County Farm Bureau in attendance.
- 7. **Counsel Report:** Counsel reported on the results of the summary judgment, ruling in favor of the Agency. A trial date was set for January 12, 2009
- 8. **Interim General Manager Report:** IGM reported that the Agency received the Proposition 50 Grant Agreement from the state. Lidia Gutierrez of Gutierrez Consultants will be submitting the Agency's first reimbursement request at the end of the month. Lastly; she stated that Director Osmer requested an update on the revised BMP. IGM stated that staff will update the Board at the next Board Meeting.
- 9. **Consent Agenda:**
 - A. Approve December 10, 2008 Minutes

◆ Motion by Director Eiskamp to approve the Consent Agenda as presented. Motion carried by the following roll call vote:

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

10. Special Presentation

- A. Receive presentation from James Atkins of Duffy & Atkins, LLP on implications of Agency Bankruptcy: James Atkins summarized the presentation to the Board and went over the key points on filing bankruptcy. He stated that bankruptcy does not mean liquidation or dissolution; rather it is a way for the Agency to restructure its debts and continue its operations. Lastly, he stated that if and when filing chapter 9, the Agency must show that it is insolvent at the time files a chapter 9 bankruptcy petition. Director Osmer went over questions/concerns from the Santa Cruz County farm Bureau.

Public Comments: Patrick McCormick of LAFCO stated that LAFCO cannot "forgive" debt dissolution.

Joe Penury inquired that who would manage the Agency, when filing for bankruptcy.

John Ricker of Santa Cruz County inquired that if the county took over as a successor of the Agency, what happens to the debt?

Darlene Din expressed her concerns regarding the bankruptcy and inquired about the Prop 218 package, would it still apply?

John E. Eiskamp of the Santa Cruz County Farm Bureau thanked Director Osmer for going over their questions and concerns, Inquired about the management fees, which was not part of the litigation.

After discussion, the Board agreed that this item be discussed in further detail with Mr. Atkins in closed session.

11. Discussion and/or Action Items

A. Receive report from Counsel on Government Code 1302 regarding directors' appointments (requested by Director Eiskamp): Counsel responded to Director's Eiskamp December 16, 2008 letter requesting an opinion concerning the expiration of terms of the three appointed directors. He stated that government code 1302, a director is still active until re-appointed by offices.

B. Consider approval of contract with Account Temps for the services of Blake Marion through March 2009 for an amount not to exceed \$37,600: IGM reported that Blake Marion has been assisting the Agency with accounting duties since November 2008. He has been retained through Account Temps, as a temporary employee, at a rate of \$78.00/hr. She further stated that with the effects of the court ordered refunds of over-collected fee and ongoing litigations, the need for general ledger update, and budget to actual comparison, and a budget amendment to reflect modifications in expenditures, revenues and grant flow, the Agency continue to need accounting support. After discussion , the following action was taken:

◆ Motion by Director Dobler to approve contact with Account Temps for the services of Blake Marion for an amount not to exceed \$37,600 as presented. Motion carried by the following roll call vote:

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

C. Receive report on expedited claims processing and refunds: IGM presented a summary of claims mailed, returned, verified and credits and payments completed as of the end of the year. Updated reports will be provided at each board meeting for Board review and discussion. Director Cervantes inquired as to when will the next batch of claim will be mailed out. Director Eiskamp stated that the public needs to know when the claim form mailing is complete- if not received by customer, they need to fill out a manual claim form.

D. Discuss upcoming Board Meeting Schedule (requested by Director Osmer): IGM stated that at the request of Director Osmer, suggested that the Board of Directors Meetings be held at the new City Chambers and the need to return to a regular two a month meeting schedule. Director Koenig supported the regular schedule meeting. Director Eiskamp suggested to a once a month (3rd Wednesday of each month) meeting and a special workshop meeting as needed. Board agreed by consensus.

Public Comments: Darlene Din inquired if the Board Meetings move to the new City Chamber, will it be televised.

Director Osmer stated that staff will inquire and update at the next board meeting.

11. Reports/Informational Presentations

A. Board Committee Reports:

1. Report of Chair on Ad hoc Funding Committee: Director Osmer reported on the January 5, 2009 meeting.

B. Staff Reports

1. Facility Operations Report: IGM summarized the 2008 production report to the board. Also reported on an email from Andy Fisher from UCSC regarding the Harkins Slough Pumping

Project. Lastly, reported that 20 connections of backflow devices have been installed. Director Eiskamp requested an update of permits issued for the Recycled Water Facility.

12. Written Communication/Correspondence: None

13. Future Meetings and Agenda Items

- A. Ad Hoc Funding Committee – December 15, 2008, PVWMA Conference Room
- B. Board Meeting – January 7, 2009, 7:00 pm, “Old” City of Watsonville Council Chambers
- C. Administrative/Finance Committee – January 13, 2009, 4:00 pm, PVWMA Conference Room
- D. Water Quality and Project Operations Committee – January 14, 2009, 2:00 pm-4:00 pm, Watsonville Waste Water Treatment Facility

14. Closed Session

A. Conference with Legal Counsel- Pending Litigation

Pursuant to Government Code Section 54956.9(a)

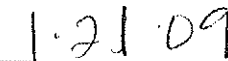
Name of Case: Pajaro Sunny Mesa CSD v PVWMA-CSCS Case No. CV 159506

Harold W. Griffith v. PVWMA (SCSC Case No.CV 150716)

The closed session commenced at approximately 9:40 p.m., with Directors Osmer, Imazio, Cervantes, Kegebein, Eiskamp, Dobler and Koenig, and Interim General Manager Bannister and General Counsel Condotti present. Director Eiskamp left the meeting at approximately 10:00 p.m. The meeting concluded at approximately 10:30 p.m. No action was reported.

15. Adjourned at : 10:30 pm


Veronica Barboza, Secretary


Date Approved