



## PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting  
City Council Chambers

November 18, 2009, 7:00 p.m.  
275 Main Street, 4<sup>th</sup> Floor  
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, 275 Main Street, 4<sup>th</sup> Floor, Watsonville, CA, at 7:04 p.m. by Chair Osmer.

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

Board Members Absent: None

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

#### 3. Pledge of Allegiance

4. **Oral Communications:** Doug McKinney stated that he has been attending the Agency's Board Meeting since 1997. He expressed his concerns, stating that the Agency does not listen to the public's input.

5. **Director Comments:** Director Dobler expressed his concerns regarding the lack participation and negative comments from the public.

6. **Counsel Report:** Counsel stated that last week Pajaro Sunny Mesa Community Service District personally hand-delivered copies of the Appellants' Opening Brief for each of the Directors.

7. **General Manager Report:** GM reported on the Watsonville Area Recycling Water Recycling Water Project Ribbon Cutting Ceremony on November 12, 2009.

#### 8. Consent Agenda

- A. Approve October 28, 2009 Minutes  
B. Approve November 4, 2009 Minutes

The GM pointed out that the October 28, 2009 Board minutes had been corrected to reflect that Director Eiskamp left the Board Meeting at 9:28 pm. Thereafter, the following action was taken:

- ◆ Motion by Director Kegebein to approve the Consent Agenda, with the October 28, 2009 minutes corrected as noted above. Motion carried by the following roll call vote:

**AYES:** Osmer, Imazio, Eiskamp, Kegebein, Cavanaugh, Dobler, Koenig

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

**9. Discussion and/or Action Items**

- A. Receive Update on Rate Setting Effort: GM reported that on November 4, 2009, the Board gave staff direction to proceed with the funding process recommended by the Ad Hoc Funding Committee (AHFC). The recommendation developed by the AHFC, refined by the engineering team and presented to the Board on October 28, 2009, focused on an expanded groundwater augmentation charge with two zones of service. GM stated that staff has been meeting with Carollo Engineers and consulting with Richard Shanahan, Special Counsel, to complete the engineering and legal analysis required ensuring compliance with Proposition 218. As this was an information item only, no action was taken.
- B. Receive Grant Update: GM updated the Board on the following grant reimbursements:
- \$8.4 M **Proposition 50** grant reimbursement package submitted to DWR. Package includes \$380,000 in PVWMA reimbursements and \$6.1 M in Recycled Water Treatment Facility reimbursements. All invoices have been reviewed and approved. Payment expected by the end of November. City of Watsonville will reimburse PVWMA for the \$1.7 M July debt service payment when they receive grant reimbursement.
- \$310,000 **Proposition 50** grant reimbursement package submitted to DWR. All reimbursements are for CDS. DWR has not completed their review of the package yet.
- \$183,000 **Proposition 13** reimbursement check should be cut soon (within 30 days); all reimbursements are for CDS.
- \$147,000 **Proposition 13** reimbursement package submitted to DWR. All reimbursements are for CDS. DWR has not completed their review of the package yet.
- C. Receive Presentation on Status of Central Valley Project (CVP): GM suggested postponing this item for the next meeting. Board agreed.

**10. Reports/Informational Presentations**

- A. Board Committee Reports- None
- B. Staff Reports
- Facility Operations Report: GM reported that staff has delivered approximately 2,241 A/F of water.

**11. Written Communication/Correspondence: October****12. Future Meetings and Agenda Items**

- A. Water Quality and Project Operations Committee – December 9, 2009, 3:00 pm, *(please note new start time)* City of Watsonville Wastewater Treatment Facility, 500 Clearwater Lane, Watsonville *(Please note: New Entrance to Treatment Facility)*
- B. Administrative/ Finance Committee – December 15, 2009, 4:00 pm, PVWMA Conference Room
- C. Board Meeting-December 16, 2009, 7:00 pm, “New” City of Watsonville Council Chambers, 275 Main Street, 4<sup>th</sup> Floor
- D. Board Meeting- January 6, 2010, 7:00 pm, “New” City of Watsonville Council Chambers, 275 Main Street, 4<sup>th</sup> Floor

**13. Closed Session**

- A. Conference with Legal Counsel – Anticipated Litigation - initiation of litigation pursuant to Government Code Section 54956.9(c): (1 potential case)
- B. Conference with Legal Counsel – Pending Litigation  
Pursuant to Government Code Section 54956.9(a):

Name of Case: Pajaro Sunny Mesa CSD, et al., v. PVWMA (SCSC Case No. CV 159506)

The Board adjourned to closed session at the conclusion of the open portion of the meeting with Directors Imazio, Kegebein, Cavanaugh, Osmer, Koenig, Dobler and Eiskamp present. General Manager Bannister and General Counsel Condotti were in attendance. Director Osmer left the closed session after discussion of Item A concluded at approximately 8:30 p.m. The meeting adjourned at approximately 8:45 p.m. The Board (6-0, Osmer absent) directed that Item B be agendaized for consideration in open session at the December 16, 2009 meeting. No other action was reported.

**14. Adjourned at 8:45 pm**

Veronica Barboza  
Veronica Barboza, Secretary

12.16.09  
Date Approved