



## PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting  
City Council Chambers

December 16, 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 7:06 p.m. by Chair Imazio.

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

Board Members Absent: Kegebein

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:** City of Watsonville Councilman Antonio Rivas expressed his appreciation in receiving \$4.4 million in the Prop 50 grant reimbursement. Rudy Vasquez inquired about his refund, stated that he never received his refund money. Robert Bowker of Pajaro Valley Golf Club stated that he had mailed a manual claim form on April 14, 2009 to the Agency for their augmentation refund. He stated the company never received a refund and wanted to know how the Agency can resolve this matter. Counsel stated that he would investigate these claims.

5. **Director Comments:** Director Osmer directed his question to counsel, asking "will the Agency accept these two claims?" Counsel replied that he would review the files

#### 6. Counsel Report: None

7. **General Manager Report:** GM reported that staff attended the 2009 ACWA Fall Conference and that staff will be taking another trip to Washington D.C. This coming year to advocate for more Title XVI funding. She also was happy to report that the Agency received an \$8 million check from the State of California- Department of Water Resources for the Proposition 50 Reimbursement, and the Prop 50 recipients will each receive their portion of the grant money. The Agency and City will hold a press conference this week. Lastly, GM stated that the Agency staff is working hard in making sure the third round of the augmentation refund checks would be mailed out before Christmas.

#### 8. Consent Agenda

##### A. Approve November 18, 2009 Minutes

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

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

**NOES:** None

**ABSENT:** Kegebein  
**ABSTAIN:** None

## 9. Discussion and/or Action Items

- A. Receive Status Report on Rate Reestablishment Process by Carollo Engineers: GM first commented that staff from Carollo Engineers could not make tonight's meeting. GM reported that Carollo Engineers was retained in September 2009 to provide engineering services in support of the Agency's rate reestablishment effort. GM updated the Board on the following:

### Actions Items Completed

- Selection of revenue recovery methodology
- Review of Existing Policies and Obligations.
- Grant and Loan Revenues

### Currently Ongoing Action Items

- Budget Review and Cost of Service Allocation
- Allocation of Cost to Customer Categories
- Majority Protest and Majority Vote for Rural Residential Customers
- Rural Residential Consumption

No action was taken, as this was an informational item only

- B. Discuss Pajaro Sunny Mesa Lawsuit: Counsel reported that on January 15, 2009, the Santa Cruz County Superior Court granted the Agency's motion for judgment on the pleadings, dismissing the Pajaro Sunny Mesa Community Services District's lawsuit seeking a refund of approximately \$150,000 in augmentation charges paid since 2002, and injunction prohibiting the Agency from collecting the existing \$80/per-acre foot augmentation charge in the future. On November 5, 2009, Pajaro Sunny Mesa's Counsel delivered a settlement proposal by fax to the Agency's General Counsel, with 7 hard copies by mail to each of the Agency's Board of Directors. The settlement proposal was considered by the Board of Directors in the closed session at the November 18, 2009 meeting. At that time the Board Directors directed that the matter be agendaized for discussion in open session at the December 16, 2009 meeting. Counsel then asked the Board for any questions or comments.

- Director Osmer stated that he felt uncomfortable discussion litigation in open session, and asked counsel what his recommendation is.
- Director Eiskamp commented that the "settlement offer" expired, and inquired why should the Board even discuss this item
- Director Cavanaugh suggested that each director should meet individually with counsel.
- Director Imazio proposed to form an "Ad Hoc" Committee specifically for the item.
- Director Dobler strongly suggested keeping this issue in open discussion.

No action was taken, as this was a discussion item only

**10. Reports/Informational Presentations**

- A. Board Committee Reports- GM reported on the December 9, 2009 Water Quality and Project Operation Meeting (included in packet)
- B. Staff Reports  
Facility Operations Report: GM reported that as of staff has delivered approximately 2,383 A/F of water, of that 1,350 was from Recycled Water.

**11. Written Communication/Correspondence: November**

**12. Future Meetings and Agenda Items**

- A. **Correction- The Agency Office will be closed December 24, 2009 through January 1, 2010**
- B. Board Meeting- January 6, 2010, 7:00 pm, "New" City of Watsonville Council Chambers, 275 Main Street, 4<sup>th</sup> Floor – GM suggested to move this meeting date to January 14, 2009.
- C. Board Meeting- January 20, 2010, 7:00 pm, "New" City of Watsonville Council Chambers, 275 Main Street, 4<sup>th</sup> Floor

**13. Adjourned at 8:20 pm**

Veronica Barboza  
Veronica Barboza, Secretary

1.20.10  
Date Approved