



PAJARO VALLEY WATER MANAGEMENT AGENCY

36 BRENNAN STREET • WATSONVILLE, CA 95076

TEL: (831) 722-9292 • FAX: (831) 722-3139

email: info@pvwma.dst.ca.us • <http://www.pvwma.dst.ca.us>

Board of Directors Meeting
City Council Chambers

January 20, 2009, 7:00 p.m.
275 Main Street, 4th 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, 4th Floor, Watsonville, CA, at 7:00 p.m. by Chair Imazio.

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

Board Members Absent: Cavanaugh

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

3. Pledge of Allegiance

4. **Election of Board Officers:** Director Imazio 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 Kegebein to elect Director Imazio as Chair. Motion carried by the following roll call vote:

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

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

AYES: Imzio, Dobler, Eiskamp, Kegebein, Osmer, Koenig
NOES: None
ABSENT: Cavanaugh
ABSTAIN: None

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

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

5. **Oral Communications:** Tracy Murphy inquired about her refund. She stated that she realized that she had mailed in her form after the May 22, 2009 refund deadline and never received her refund money.
6. **Director Comments:** Director Kegebein announced that he would no longer be able to serve as a PVMWA Director, as he will be moving within the next month, causing to live outside of the Agency's jurisdiction. Therefore his seat will be available.
7. **Counsel Report:** Counsel reported that on January 5, 2010 the Agency was served by Pajaro Sunny Mesa Community Services District a follow up lawsuit for rejection of their augmentation refund claim.
8. **General Manager Report:** GM commented on the upcoming February 3rd and 17th Board Meetings. She also noted the need for two meetings in March.
9. **Consent Agenda**
 - A. Approve December 16, 2009 Minutes
 - B. Approve Financial Reports for October, November and December 2009
 - C. Approve Disbursement Ledger for October, November and December 2009
 - D. Receive Refund Claim Processing Report
 - E. Receive Grants Update

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

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

10. Discussion and/or Action Items

- A. Consider approval of Audited Financial Statements for Fiscal Year ended June 30, 2009: GM stated that the Agency's auditor, Bartlett, Pringle & Wolf, LLP, (BP&W) had completed the audited financial statements for fiscal year 2008-2009. Stacy Hansen, of BP&W presented the Financial Statements to the Administrative/Finance Committee at its January 19, 2010 Meeting. She reported that the audit resulted in a clean opinion, revealing that the Agency's Financial Statements were presented fairly and was found to be in conformity with generally accepted accounting principles. Director Eiskamp suggested that the board postpone approval of this item for the next meeting, as the board needs more time to review the financial statements. The board agreed by consensus.
- B. Receive Status Report on Rate Reestablishment Process and Schedule: GM reported that staff, legal and engineering team is nearing completion of the Proposition 218 Service Charge Report that will provide the basis for the Agency's rate reestablishment effort. Tasks completed since that time as well as ongoing and anticipated efforts are summarized below:

Actions Items Completed

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

- Completed Proposition 218 Service Charge Report- Phase 1

Ongoing Action Items

- Budget Review and Cost of Service Allocation - the costs associated with providing supplemental water to the Pajaro Basin are being allocated for recovery through augmentation and delivered water charges
- Allocation of Cost to Customer Categories - the allocation of various costs related to the supplemental water deliveries are being allocated to the customer categories (rural residential, agricultural, municipal/industrial, and delivered water) based on cost of service.
- Majority Protest and Majority Vote for Rural Residential Customers - the PVWMA accounting data is being consolidated with County and Department of Health records to identify parcels with domestic wells which will then have a vote (some parcels share wells, only the well owner will vote, and be billed). The number of wells serviced by each rural residential well will be identified for the majority weighted vote – this effort is requiring extensive data analysis
- Rural Residential Consumption - In order to develop unit cost of service for the rural residential customers, the total water consumption by rural residential customers will be identified. A triangulation method using metered rural residential water use from local purveyors is being analyzed.
- Complete revenue requirement allocation (i.e. identify cost to be recovered from each fund category)
- Finalize Proposition 218 Service Charge Report

GM noted the draft Proposition 218 Service Charge Report will be presented at the February 3, 2010 board meeting. No action was taken, as this was a discussion item only.

- C. Consider approval of Interim Renewal Contract Between the United States and Pajaro Valley Water Management Agency, Westlands Water District Distribution No. 1 and Santa Clara Valley Water District Providing for Project Water Service-Central Valley Project, California: GM briefly summarized the contract to the Board and recommended to execute Contract No. 14-06-200-3365A-IR10-B, providing for a further extension of the interim renewal contract through February 29, 2012. After discussion, the following action was taken

◆ Motion by Director Dobler to approve Resolution 2010-01, Approving Interim Renewal Contract with USBR, as presented. Motion carried by the following roll call vote:

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

- D. Consider Scope and Fee of \$30,495.32 for curation of Harkins Slough Project archaeological collections at U.C. Santa Cruz with assistance by Pacific Legacy: GM reported that Pacific Legacy, Inc. was retained as the archaeological consultant for the permitting and construction of the Harkins Slough Project in 1999. Several significant archeological sites were identified in the coastal area during the pre-construction surveys, and one significant site was unearthed during construction. The archaeological collection from the site will be curated at Monterey Bay Archaeology Archives (MBAA) at U.C. Santa Cruz. Human remains, funerary objects and grave-associated materials will be reburied. Pacific Legacy will coordinate the archival and reburial work. The reburial activities will require additional expenditures for equipment, and other services, but those costs should be relatively minor and within the General Manager’s spending authority. After discussion the following action was taken

◆ Motion by Director Dobler to approve Resolution 2010-01, Approving Interim Renewal Contract with USBR, as presented. Motion carried by the following roll call vote:

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

10. Reports/Informational Presentations

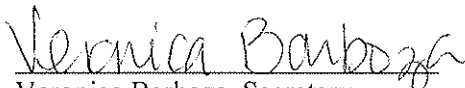
- A. Board Committee Reports- GM reported that the Administrative/Finance Committee had met yesterday and details of the meeting had already been reported out during discussion of this evening's other agenda items.
- B. Staff Reports
Facility Operations Report: GM reported that as of staff has delivered approximately 2,400 A/F of water, of that 1,787 was Recycled Water.

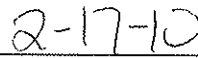
11. Written Communication/Correspondence: December 2009

12. Future Meetings and Agenda Items

- A. Board Meeting- February 3, 2010, 7:00 pm, "New" City of Watsonville Council Chambers, 275 Main Street, 4th Floor – GM suggested to move this meeting date to January 14, 2009.
- B. Water User's Meeting-February 4, 2010, 10:00 am -12:00 pm, UC Ag Extension, 1432 Freedom Blvd, Watsonville
- C. Administrative/Finance Committee Meeting-February 16, 2010, PVWMA Conference Room
- D. Board Meeting- February 17, 2010, 7:00 pm, "New" City of Watsonville Council Chambers, 275 Main Street, 4th Floor

13. Adjourned at 8:00 pm


Veronica Barboza, Secretary


Date Approved